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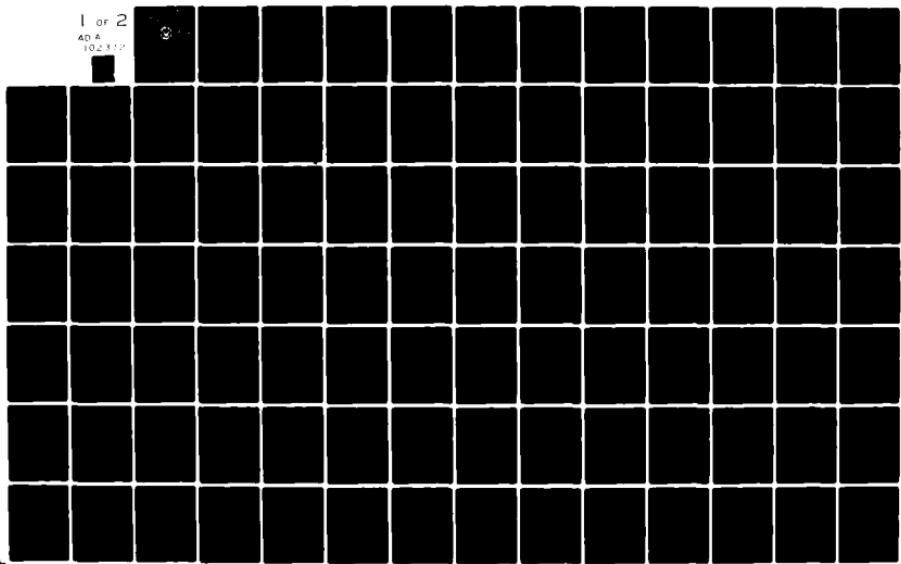
INFLUENCE: U. S. NATIONAL INTERESTS AND THE REPUBLIC OF THE PHILIPPINES (U)

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## Monterey, California



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## THESIS,

Influence: U.S. National Interests  
and the  
Republic of the Philippines

by

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11 Dec 1981

12/1981

Thesis Advisor:

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2514

Unclassified

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

Unclassified

SECURITY CLASSIFICATION OF THIS PAGE WHEN RECORDED

Article 20, continued:

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These dimensions are then examined to verify the need for U.S. influence in Southeast Asia and to show how U.S./Philippine relations contribute to regional influence. The Philippine domestic environment is examined to determine U.S. policy objectives which will promote U.S. influence in the Philippines.

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Influence: U.S. National Interest and the  
Republic of the Philippines

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## ABSTRACT

This study attempts to reconcile the concept of the national interest with the problem of foreign policy formulation, using the Philippines as its central focus. The basic premise is that foreign policy should be concerned with the "ability" to achieve the national interest rather than with any strict definition of the national interest itself.

The study finds that the national interest is actually an undefinable set of needs and values, and suggests that policy should be based on influence as the means whereby a nation achieves this undefinable value system. It then analyzes influence on a conceptual level and finds that three dimensions (economic, military and political/ideological) determine a nation's level of influence in the international system.

These dimensions are then examined to verify the need for U.S. influence in Southeast Asia and to show how U.S./Philippine relations contribute to regional influence. The Philippine domestic environment is examined to determine U.S. policy objectives which will promote U.S. influence in the Philippines.

## TABLE OF CONTENTS

I. INTRODUCTION.....	7
II. THE NATIONAL INTEREST .....	13
A. A Topological Space of Interests.....	15
B. Ability to Achieve the Interest Topology.....	17
C. Summary.....	25
FOOTNOTES.....	26
III. INFLUENCE.....	28
A. Influence: A Conceptual Framework.....	31
B. Ingredients of Influence.....	37
C. The Ingredients in the Global Context.....	40
1. Economic.....	42
a. Unification.....	43
b. Direct Decline and Future Opportunities	45
c. Economic Summary.....	48
2. Military.....	49
3. Political/Ideological.....	54
D. Summary.....	59
FOOTNOTES.....	63
IV. SOUTHEAST ASIA AND THE PHILIPPINES.....	67
A. U.S. Influence in Southeast Asia.....	69
1. Economic.....	71
2. Military.....	78
a. The Indonesian "Sea Wall".....	80
b. Nature of the Threat.....	83
3. Political/Ideological.....	87
4. Summary.....	92
B. The Philippine Role in U.S. Regional Influence	95
1. Economic.....	96
2. Military.....	98
3. Political/Ideological.....	100
C. Summary.....	104
FOOTNOTES.....	107

V. U.S. POLICY OBJECTIVES IN THE PHILIPPINES .....	111
A. The Domestic Environment and U.S. Policy Objectives.....	112
1. Economic.....	112
2. Military.....	118
3. Political/Ideological.....	125
a. The Environment.....	127
b. Succession.....	136
c. U.S. Political Objectives.....	143
B. Summary.....	145
FOOTNOTES.....	149
VI. CONCLUSIONS.....	152
APPENDIX: A (Relationships: Bird's Eye View of Asian Discord).....	162
APPENDIX: B (U.S. Exports to East Asia, by Commodity, by Country, 1978).....	165
APPENDIX: C (Founding Declaration of the Association of Southeast Asian Nations, ASEAN), August 1967.....	166
APPENDIX: D (The Power Game).....	169
BIBLIOGRAPHY.....	172
INITIAL DISTRIBUTION LIST.....	179

## I. INTRODUCTION

This study is inspired by a perplexing dichotomy in American foreign policy. The dichotomy is perhaps rooted in the fundamental pretext of democratic government and the concept of the national interest. In the crucial paragraph the founding fathers made the ultimate goal of American democracy to secure for each individual the right to "life, liberty, and the pursuit of happiness." Perhaps knowing that in a pluralistic society each individual would have his own dreams and aspirations, the authors of American government declined to stipulate that the state would distribute to each individual its version of life, liberty and happiness as it saw fit. Rather, the state would insure that each American had the ability to achieve his own interest as he came to see it.

As the population grows, as technology affects the vicissitudes of moral consciousness, and as these changes are reflected not only on the national level, but in the international system as a whole, the American interpretation of life, liberty, and happiness takes on new meaning. Nuclear technology has changed the nature of international conflict and national defense. Scarcity of resources and fear of zero-sum phenomenon has had a tremendous impact on the nature of global economics as well as the American concept of abundance. Mass media, the "pill," and the welfare state have

all led to a situation where the individual is faced with difficult decisions pertaining not only to the role of government but indeed to what he is as an individual and what his role is in society.

Nonetheless, scholars continue to define the concept of the national interest as though it were an entity that the state had an obligation to provide. Having accurately defined what it is that Americans dreams and aspirations consist of, the state could then set out to procure, promote, and protect these in the national and international system. Thus , it would appear logical to posit that there is either a moral obligation or a scholarly justification for formulation of foreign policy which is firmly based on an operational definition of the concept of the national interest.

This study in no way suggests that foreign policy should not be based on American national interests. However, the point of divergence is so rudimentary that what emerges is an inquisitory process which differs greatly from the more conventional approaches. The dichotomy was perhaps "stumbled" upon when in an attempt to define the U.S. national interest in the Republic of the Philippines it was discovered that no consensus exists in American intelligentsia of what "national interest" means much less of the American national interest or an operational definition which will facilitate the process of foreign policy formulation.

This study will, therefore, examine the concept of the national interest. Is it subject to operational definition?

If so, would that definition be an accurate measure of all the cross-cutting interests of this pluralistic society? Can a formula be found such that by assigning different weights to the interests of various influential groups it can provide for egalitarian representation of these cross-cutting interests? Is there any guarantee that as these interests conflict with or complement each other, the formula would still be valid?

The first hypothesis attempts to explain this perplexing dichotomy. If the concept of the national interest is so diverse, so nebulous, and so elusive as to defy scholarly attempts to operationalize its definition, how then can the decision maker know for certain that the foreign policy he will choose will accurately represent the dreams and aspirations of his society? The basic premise here will be that the decision maker need not be overconcerned with interpreting this concept of the national interest since no single, ultimate, independent interest can be found that can be said to be the undisputable, overriding goal of each and every American. Instead it will be argued that all interests are actually instrumental goals, and that the only common denominator in the set of needs, values, beliefs, and cognitive structures is the ability to achieve whatever it is that the individual or the nation as a whole desire.

However, having argued that the basis for foreign policy formulation is to be found in the ability to achieve interests,

the study must then provide the vehicle through which the decision maker transitions from the dreams of his nation to providing the means of procuring, promoting, and protecting these dreams. The international system provides no such guarantees. Each nation is committed to promoting its own interests by persuading other international actors to behave in a fashion that is compatible with the needs of others. The second hypothesis, therefore, argues that a nation is able to achieve its interests only when it has the necessary level of influence to persuade others.

"Influence" is, therefore, examined to posit that, through effective use of economic, military, and political/ideological strength a nation can control the environment such that other international actors will realize a greater net gain or lower net cost by behaving in a manner which contributes to rather than detracts from the interests of others. As a corollary to this second hypothesis, the ingredients which contribute to U.S. influence in the international system will be examined. It would appear that while there is some divergence in the literature as to what the concepts of power, influence, or authority entail there is relative concensus among scholars as to the elements which provide a nation with certain leverage over the actions of others. Finally, these ingredients will be analyzed in the global context to determine, specifically, how they contribute to American global influence.

The above discussion will comprise Part One of this study. It will attempt to propose a model which will act as the vehicle through which the decision maker can transition from the concept of American needs and values to the formulation of foreign policy. Part Two will then attempt to apply that model to the formulation of American foreign policy with respect to the Philippines.

Chapter Four will examine two distinct hypotheses. While the model offered in Part One suggests that the U.S. needs to be concerned with influence as it looks toward the Philippines, the first step must be to determine whether or not influence in the Philippine context is crucial or irrelevant to U.S. global influence. This chapter will begin with the premise that U.S. influence in Southeast Asia is indeed crucial to U.S. global influence. The second premise is that the U.S. relationship with the Philippines contributes significantly, indeed vitally, to U.S. influence in the Southeast Asia region.

Having argued that there are certain elements of the U.S./Philippine relation which are indispensable to U.S. influence on a regional level, and that regional influence is indeed crucial to American leverage in the global context, the decision maker must then examine how these indispensable elements can be maintained. Chapter Five will examine the Philippine domestic environment to determine how its evolution can be made to perpetuate a relationship which will contribute to U.S. influence in Southeast Asia.

U.S. foreign policy in the Philippines must be prepared to cope with the islands' economic uncertainty, political transition, and the military environment. In all three dimensions there exist opportunities for the effective implementation of optimum policies, and there are also many pitfalls which should be avoided. The aim will be to analyze each of these dimensions so as to determine, from among the various alternatives available, the U.S. policy objectives which will best contribute to the overall goal- that of perpetuating a relationship which enhances U.S. regional influence.

Thus, this study is actually an attempt to provide the policy maker with a different way of approaching the problem of reconciling the concept of the national interest with the formulation of foreign policy. To the extent that it succeeds in this endeavor the model can then be applied to policy formulation for any area or nation in the international system.

## II. THE NATIONAL INTEREST

If U.S. foreign policy is to be based on the national interest it becomes immediately apparent that some clear, theoretical definition of the concept of the national interest is absolutely essential. Moreover, if U.S. foreign policy with respect to a particular nation is to be based on the American national interests in that nation, then a system for operationalizing the theoretical definition in terms of that nation is likewise essential.

The key issue demanding immediate clarification before the policy maker can set out to delineate foreign policy goals and objectives would appear to be a definition of the concept of the national interest. No such clear definition has as yet been posited by scholars much more enlightened in the techniques of theoretical abstraction than the average government official. If the concept is of such a vague nature that the academician cannot come to terms with the national interest, how then will it be possible to arrive at a national consensus which includes the interests of those unlightened masses who, in our pluralistic democracy, have as much right to an opinion as to the national interest as the chief executive himself?

It is readily apparent from a survey of the literature that the scholar's dilemma is one of definition since most authoritative works on the national interest have failed to

provide any conclusive or even constructive definitions of the concept. In some cases scholars have made gallant efforts at defining the concept but have nonetheless left many questions unanswered. Others have attempted merely to provide some clues and to suggest possible approaches which might help in eventually finding such a definition. Finally, others have been primarily concerned with presenting a critique of what their colleagues have done or failed to do.

A philosophical quest for such a definition repeatedly comes up empty handed and it is found that such a definition may neither be possible nor necessary for this study. Indeed, this study is concerned not with interests but rather with goals, policies, objectives and strategies. It is this distinction that will be made clear in the present section. That is, there exists no such precise concept as a national interest toward or in another entity, and moreover, the problem of defining the national interest has reached such tremendous proportions because definitions are usually offered in terms exogenous to the concept itself.

However, though a definition may not be available, a working concept remains necessary, until some other vehicle can be found which can form the basis for foreign policy. This will, therefore, form the second part of this first hypothesis. If the national interest cannot be defined, the vehicle through which the decision maker can move from the concept of the national interest to the formulation of

foreign policy is the "ability" to achieve whatever that interest turns out to be.

#### A. A TOPOLOGICAL SPACE OF INTEREST

That definitions are usually offered in terms exogenous to the concept can be clarified by visualizing the national interest as a topological space. This topology consists of those values, beliefs, needs and cognitive structures which are inherent to the people within the nation. The combinations and permutations of these sets of values, needs, and beliefs are, by definition, also within the topological space.<sup>1</sup> However, using this perspective, any choice which would result in action is assumed to exist outside the topological space. This "choice" or "action" is in essence an attempt to achieve those things which exist within the topology; but the "choice" or the "action" itself is not within the sets of interests in the topology. These are, therefore, not "interests" but rather "instruments" or as VanDyke might describe them "instrumental goals."

The moment any attempt is made to define the national interest in terms of something the nation or the individual wishes to do or some action he may wish to take, the definition is outside the space of interests and is actually describing actions in pursuit of an interest. At this point the definition is speaking of goals, objectives, and strategies. It is no longer addressing interests as such, but rather "instrumental goals."

The topological space can be clarified by looking at those factors which exist outside the space in terms of VanDyke's hierarchy of "dependent and independent interests." VanDyke has argued that there can be no independent interest, that is, an interest accepted as an end itself- independent of any other interest. Therefore, the scholar or the decision maker need not be overly concerned with defining that ultimate goal- that final link in an unbroken chain where each interest is a means to achieve some other interest. That ultimate goal would be considered the independent interest, but unfortunately there is no formula whereby all can agree on the definition of that final link. Thus, what the scholar or the decision maker should do is break into the chain of dependent interests at any appropriate point and analyze the effectiveness of that dependent interest in terms of its ability to achieve the next goal in the hierarchy.<sup>2</sup>

There can be no formula to define that ultimate end because VanDyke is concerned with goals not interests. Goals involve actions. Actions can entail a continuing process and an endless chain of new actions, and reactions. Once an interest is operationalized, that is, once an action is set in motion to achieve a certain interest, the action itself does not become the interest. The interest remains within the topological space and the action is the goal which will achieve that entity. Thus, the interest remains an entity unto itself wholly possessed by the topology within which it exists.

Contrary to Casinelli's argument<sup>3</sup> the body (whether an individual, a group, or a nation) does posses the interest. Casinelli may be accurate in that goals may not be possessed, that is, the people do not possess the "actions" which are designed to achieve the interests; but nonetheless, the interests themselves are possessed and consist of Neihbur's unattainable but always sought after values.<sup>4</sup>

The aim is not to provide conclusive evidence that the topology of interests cannot someday be defined. It may indeed be possible that at some point a model will be developed wherein the combinations and permutations of all these values, needs, beliefs, and cognitive structures can be calculated to derive a definitive statement of what the national interest actually is. However, as long as scholars continue to describe these values in terms of actions designed to achieve them, it is highly unlikely that such a definition can be accepted as descriptive of that ultimate independent interest.

#### B. ABILITY TO ACHIEVE THE INTEREST TOPOLOGY

The above discussion indicates why such articulate scholars as Harold Lasswell are accused of preoccupation with procedure rather than content. Lasswell is preoccupied with the methods to implement and enforce public interest instead of with its content. In "The Changing Context of the Public Interest," Friedman argues that Lasswell's definition would dissolve the public interest in a mere struggle for supremacy between highly organized groups.<sup>5</sup>

But, Lasswell's overinvolvement with the procedure rather than the content of the public interest does not necessarily hinder progress toward the formulation of foreign policy. Indeed, if the national interest has not yet been defined, this does not necessarily alleviate the need for establishing goals. The "struggle for supremacy" which Friedman speaks of tends to indicate that the element which actually remains constant throughout any discussion of what the national interest is or is not, is the ability to achieve those interests in the international or subnational arena.

Therefore, Lasswell's preoccupation with procedure, though it may not conclusively define the concept of the public interest, does serve a useful purpose. The policy maker can likewise be concerned with procedure, though not necessarily for promoting and protecting a strictly defined model of the national interest, rather with the procedure whereby one acquires the "ability" to promote and protect whatever that definition turns out to be. In other words, the decision maker is concerned not so much with defining that interest but with winning the struggle.

What is the difference? The difference can be found in trying to avoid the pitfalls described by Minor in "Public Interest and the Ultimate Commitment." Minor argues that the public interest is often based on what has happened or what is happening without regard to analysis of causal relationships. He argues that too often these principles are cherished

as ends in themselves.<sup>6</sup> There is clear evidence that Minor is correct and that the United States continues to shape policy in terms of interests which are not interests at all but rather instruments. In a study by Maynes, Yankelovich, and Cohen<sup>7</sup> eight principles were found to be most prevalent in defining the national interest. They are:

1. a strong defense posture
2. commitment to core allies
3. pursuit of detente
4. good relationships with the PRC
5. commitment to Israel
6. American leadership in world affairs
7. involvement in international foreign policy solutions
8. coherent energy policies.

By referring back to VanDyke's thesis it becomes immediately apparent that these are not independent interests. They are instead, instrumental goals, or the means to achieve something else such as security, economic prosperity, or prestige. One can continue up or down this chain endlessly questioning the validity of any interest as an independent, ultimate end in and of itself. Even a fundamental pretext such as human dignity can be questioned for validity as an absolute standard. In "Common and Public Interests Defined: Comments on Harold Lasswell's Paper," Nakhnikian questions Lasswell's premise of human dignity as a relevant assumption for any society.<sup>8</sup> This, however, implies that the assumption

need not necessarily be valid for another societal structure. Thus, one is left with the dilemma of making valid assumptions about the values of this other society and the question of the national interest has remained unanswered.

But, does this dilemma detract from the effectiveness of using instrumental goals as the basis for foreign policy? It should not, particularly if the national interest can be given a loose interim definition until such time that a better alternative is found. The loose definition would stem from an alteration of Musgrave's aggregate utility dictum.<sup>9</sup> There need be no question as to whether the public interest has a moral or material foundation. The concept of aggregate utility can be applied to ideology as well as to private physical utility. For example, the decision maker should be able to analyze a particular situation and answer, in his own mind, what the cost will be in order to pursue a certain policy. Whether the national interest has a moral foundation or otherwise, the choice which maximizes the nation's ability to achieve maximum aggregate utility along both material and ideological variables will have to be adopted.

In a way, this view agrees with Pennock's concept in "The One and the Many: A Note on the Concept." There is nothing wrong with allowing the decision maker to apply his judgement when it comes to interpretation of the public interest. It is only when ideology, under the banner of the national interest, enters into the process of goal and strategy

formulation that the issue tends to become confused. This process should entail a cost/benefit analysis realizing that values have a cost as well which is at times too high to pay.

"A legislature that delegates to an administrative agency the power to regulate in accordance with the public interest is not merely passing the buck, it is providing the means for applying a dynamic and increasingly precise policy based on experience continuing contact with special interests, and freedom to pursue the general welfare as they come to see it." <sup>10</sup>

If propping up an unpopular dictatorship implies a cost by way of relinquished principles, the cost must be analyzed in terms of the alternative. Not propping up the dictatorship may mean the loss of strategic forward military positions which will in the long run result in reduced security. If that were the case the national interest would continue to have a moral fiber, but the more costly of the two goals would have to be deferred until some point in the future. The key difference in this case is that the policy is based not necessarily on the direct interpretation of the national interest (i.e. global democracy) but rather on the nation's ability to achieve that interest, perhaps at some other point in the future. The example of the unpopular dictatorship is a perfect analogy since there are numerous examples in the international system where estrangement from strategically vital countries would result directly in a diminished capacity to achieve any interests whatsoever.

What is implied here is that the topology which has been superimposed on the national interest consists of, as has been

stated earlier, Neibuhr's unattainable but always strived for objective.<sup>11</sup> Inside the topology there exist groups of values, beliefs, and needs universally cherished. However, in the attempt to operationalize these into goals, objectives, policies, and strategies the underlying element is the ability to maximize aggregate utility in terms of these cognitive structures, not the structures themselves.

There need be no dichotomy in this perspective of the national interest. While it disagrees with Seabury in claiming that there is a moral purpose behind foreign policy<sup>12</sup>, the moral purpose lies far back. It exists within the national interest topology, but is removed totally from policy formulation since policy is to be based on the goal and the objective of maximizing the nation's capability to pursue the interest topology.

To help clarify this concept an analogy to Soviet policy making serves a useful purpose. In that system the national interest poses little problem and policy formulation is generally clear and unhampered by debate over the moral purpose. Clearly, whatever contributes to the power of the Politburo is necessarily good for Mother Russia.

Our policy formulation process could be as clear and unhampered as that of the Soviet Union if we pursue our ideology just as they do, with a calculated analysis of the cost/benefit factor in terms of capabilities. This approach, however, requires clear articulation of the cost/benefit

calculus to the American people. In the Vietnam tragedy, we failed, and to date continue to fail, to make clear the costs. Thus, a small minority of outspoken opponents were able to determine the shape of American foreign policy in the long haul. We neglected to analyze the costs of losing the war, the costs of decline in detente, the costs of Third World castigation, and a host of other variables in terms of their impact on our overall capability in the future. The result was an ouster which will soon, if not already, prove costly to our position in the Southeast Asia region and in the international balance of influence.

It is not the intent, nor is it within the scope of this study, to suggest whether or not our policy in Vietnam was right or wrong. However, had we looked at the nature of the situation in the terms proposed here, it may have been easier to recognize that our international capabilities would have been enhanced more by dialogue with the North after the French defeat, than by a resumption of hostility in the name of "containment."

Clearly the Russians minimize their susceptibility to such blunders. Although their cost/benefit calculus is at times faulty, it is clear that their actions are based on a strict analysis of possible gains and losses with respect to their overall position of power. Their recent invasion of Afghanistan indicates that Soviet decision makers had taken most factors into account. They have no qualms about suffering

a loss in detente, U.N. abhorrence, or even Third World estrangement. For them, the cost was worth the risk and the expense in order to consolidate their power base in that nation.<sup>13</sup>

Note that this does not imply that Soviet decision making has no ideological foundation, indeed it does, but it is inherent to them and we cannot know whether it involves peaceful coexistence or world hegemony. What we see is only the action taken in pursuit of an interest. Their ideology, just as ours, is within the topological space, the primary difference is that they recognize the distinction between those interests and their capability to achieve them. They allow their actions and their positions to shift with the winds of contemporary power balances. Their decisions are based on those elements of international influence which their cost/benefit calculus indicates are worthwhile at any given point.

Thus, the position offered here is one similar to Morgenthau's concept of bargaining from a position of power. Although the concept of power in the international arena warrants closer scrutiny and will be addressed in the forthcoming section, the short introduction above helps to clarify the view of the national interest offered herein. It is not suggested that power is indeed the essence of the national interest. However, partly because the national interest has not yet been defined, the observation is made

that regardless of how it is eventually defined the ability to achieve it will continue to be the common denominator.

#### C. SUMMARY

In essence, the decision maker need not be concerned with the national interest mystique for that will merely confuse the real issue-policies to achieve the national interests. The national interest is not something which cannot be possessed, as Casinelli would argue, but rather it is something which is indeed possessed and represents Niebuhr's unattainable standard. The view taken is similar to VanDyke's hierarchy where every action represents a means to achieve some other end. In determining which end is worthy of pursuit, the decision maker must adhere to Musgrave's aggregate utility dictum. If the summation represents a net benefit, whether the benefit be ideological or material, that course must necessarily be followed. However, note that the benefit is not couched in terms of the interests which exists within the topological space defined, but rather it is in terms of the extent to which that particular policy improves or detracts from our "ability" to achieve other ends.

The final judge, then, is the decision maker. In adhering to Pennock's thesis of "precise policy based on experience, continuing contact with special interests, and freedom to pursue the national interest as they come to see it,"<sup>14</sup> the decision maker's actual goal is to provide for the nation the wherewithall to achieve those interests as "he comes to see them.

FOOTNOTES

<sup>1</sup> John L. Kelley, General Topology. (D. VanNostrand Company: New York, 1955) p. 37

<sup>2</sup> Vernon VanDyke, "Values and Interests," American Political Science Review. 1962

<sup>3</sup> C.W. Casinelli, "Some Reflections on the Concept of the Public Interest," Ethics. Vol 69, 1958-59, pp. 4461

<sup>4</sup> Robert C. Good, "The National Interest and Political Realism; Niebuhr's Debate with Morgenthau and Kennan," The Journal of Politics. 1960

<sup>5</sup> W. Friedman, "The Changing Content of Public Interest: Some Comments on Harold Lasswell," as presented in The Public Interest. Carl J. Friedrich, editor; (Prentice Hall Inc.: New York, 1962) pp. 80-87

<sup>6</sup> Op. Cit. William S. Minor, "Public Interest and Ultimate Commitment," as presented in The Public Interest. pp. 26-43

<sup>7</sup> Charles W. Maynes, Daniel Yankelvich, and Richard L. Cohen, U.S. Foreign Policy: Principles for Defining the Public Interest. (Public Agenda Foundation, 1976)

<sup>8</sup> Op. Cit. George Nakhnikian, "Common and Public Interest Defined: Comments on Harold D. Lasswell's Paper," as presented in The Public Interest. pp. 88-95

<sup>9</sup> Op. Cit. R.A. Musgrave, "The Public Interest: Efficiency in the Creation and Maintenance of Material Welfare," as presented in The Public Interest. pp. 107-114

<sup>10</sup> Op. Cit. J. Roland Pennock, "The One and the Many: A Note on the Concept," as presented in The Public Interest. pp. 177-182

<sup>11</sup>Op.Cit. Robert C. Good, "The National Interest and Political Realism"

<sup>12</sup>Paul Seabury, "The Moral and Philosophical Bases of American Foreign Policy," Orbis. 1976

<sup>13</sup>Vernon V. Aspeturian, "The Afghanistan Gamble: Soviet Quagmire or Springboard," from an unpublished version of an earlier abridged paper which appeared in New Leader, January 28, 1980.

<sup>14</sup>Op. Cit. J. Roland Pennock, "The One and the Many" as presented in The Public Interest.

### III. INFLUENCE

If the ability to achieve those values which comprise the topological space of interests is to be the vehicle through which the policy maker transitions from national interests to foreign policy, then a clear understanding of the means through which desired results are achieved in the international system now becomes the focal point.

Within the space of interests there can be said to exist a wide variety of values that may be attained without having the ability to "move" an outside actor. In these cases, the ability to achieve that value rests solely on the actor himself, independent of external forces. A man's choice of religious preference is such an example. Here the costs and benefits of one choice (i.e. debauchery with damnation vs. righteousness with salvation) are weighed against the costs and benefits of another (i.e. disavowing the existence of any life hereafter). The individual's ability to choose one or the other may have already been predetermined (i.e. he was raised under Christian theological presuppositions), but at the time of his choice he need not exert any influence on an outside actor.

A nation's choice as to the adoption of an Equal Rights Amendment or Affirmative Action legislation provides the same perspective on a national level. Although considerable

influence may be exerted by subnational actors, the nation's choice involves no interaction with the international community. While the basic premises of influence to be posited here do have applicability to the internal power struggles over issues such as ERA, the analogy is drawn only to distinguish between choices that involve interaction with external forces. Where the choice is totally "internal," such as the individual's religious preference or the nation's constitutional amendments, the "ability" to make that choice requires no influence relationships between an initiator and an external recipient. These cases will, therefore, be dismissed for the purpose of this study.

However, those sets of interests within the topological space which require certain actions that impinge on external forces do connote a certain influence relationship between those forces. Where a choice requires another party to act, or where a choice stimulates concomitant choice or action by the other party, the goal of the initiator is to ensure that the final outcome results in a net gain, at least for the initiator. In actuality, the recipient of the influence relationship will act only in a fashion that represents a net gain for him. Thus, the goal of the initiator is to present the recipient with a choice which provides him a net gain as well.

Armed conflict is just such an influence relationship. When a nation chooses to go to war it is because the rewards

minus the costs of going to war are greater than the rewards minus the costs of peace. Thus, for example, if the people of Poland persist in their demands for liberalizing their political structure, knowing full well that this will bring on Soviet military intervention, it is because the reward (freedom) minus the cost (lives) of that choice outweigh the reward (peace) minus the cost (slavery) of the alternative.

It is within this context that this study will address the nature of a nation's ability to achieve those things it values most. When a nation's ability to achieve desired ends requires or stimulates interaction with external forces the goal of the initiator is to control that relationship in such a fashion as to produce maximum benefit at minimum cost. This control is the essence of power and connotes much more than the elements of force or even of subtle persuasion. It is the combination and the application of the ingredients in the relationship between actors which results in the ability of one actor to control the outcome.

In order to facilitate clarification and defense of such a hypothesis it is necessary first to analyze the influence relationship on a conceptual level; and second, to analyze the ingredients in the relationship to determine how they contribute to the influence of one party or the other.

#### A. INFLUENCE: A CONCEPTUAL FRAMEWORK

There is, at present, no international organization which is capable of administering some semblance of order as nations proceed in quest of their individual interests. This leads to an environment wherein each nation must insure its own ability to achieve its interests by influencing international actors so that they will behave in a fashion which helps to promote and to protect the interests of the nation in question.

"The international community has never, in fact, guaranteed the member states either life, liberty, or the pursuit of happiness, whatever the paper provisions of international conventions may have stipulated. Each individual state has continued to depend for its very existence, as much as for the enjoyment of its rights and the protection of its interests, primarily on its own strength or that of its protector."<sup>1</sup>

However, if a nation can depend solely on strength in its quest for individual interest, by what means does it acquire this strength? It is generally argued that power provides the means whereby a nation secures its individual interests. Morgenthau, for one, advocates bargaining from a position of power, but as far back as World War II Nicholas Spykman argued along similar lines.

"The statesman who conducts foreign policy can concern himself with values of justice, fairness, and tolerance only to the extent that they contribute to or do not interfere with the power objective. They can be used instrumentally as moral justification for the power quest, but they must be discarded the moment their application brings weakness. The search for power is not made for the achievement of moral values; moral values are used to facilitate the attainment of power."<sup>2</sup>

Spykman's argument as to the use of moral purpose to justify the attainment of power was rejected in the previous section taking the opposite view of power for the attainment of moral purposes. However, either view recognizes the necessity for power in the attainment of goals and both ultimately demand definition of the power objective.

It does not suffice merely to say that power is the objective if only for the reason that Harold and Margaret Sprout have observed: "Though the word "power" is used constantly in the language of politics, the concept of power, for which the word stands, varies widely from one context to another."<sup>3</sup> Indeed, Robert Lieber discovered in his survey of the literature that "one survey of power as a concept has found seventeen different definitions."<sup>4</sup>

Lieber continues his arguments by drawing on K.J. Holsti's observation that "power concepts are not useful for all aspects of the study of international politics."<sup>5</sup> Based on his own research and the evident futility of finding a power model that will serve as an adequate descriptor of all international relations he concludes that "it (the power concept) cannot function satisfactorily as the theoretical core of international relations."<sup>5</sup>

However, before doing so Lieber outlines Deutsch's four categorizations of power, at least one of which serves as a useful point of departure from Lieber's conclusion. The four are:

- 1- brute force
- 2- probability of imposing change
- 3- ability to shift the probability of outcomes
- 4- currency in the exchange of social functions (6)

A combination of the second and third categories provides a useful perspective for describing the view of power which is to be offered here, and which will now be given the nomenclature "influence." In Global Politics, James Lee Ray attempts to draw a distinction between "power" and "influence."<sup>7</sup> Unfortunately, he succeeds only to the point of enlightening us that a difference exists but stops short of making the distinction clear.

David J. Bell, however, goes into considerable detail in making the distinction. He attempts to highlight the distinction by way of three slightly dissimilar paradigms.

- 1- "If you do X, I will do Y"
- 2- "If you do X, you will do (feel, experience, etc,)Y"
- 3- "If you do X, He (God) will do Y" (8)

These paradigms are useful because they show the distinction between the various frameworks within which the recipient makes his choice. In the first paradigm one actor is clearly trying to exert some measure of compellance, through either a threat or a promise, on another actor. The latter two, show a kind of environmental effect which the actors choice will stimulate, implying that the result (Y) will have some positive or negative reward for the actor.

However, while these paradigms help to clarify the nature of the influence relationship between two actors, they do not postulate as to what exactly it is that makes the recipient in such a relationship undertake such an action. Klaus Knorr argues that the utility of military power (U) is equal to the sum of the values achieved (V) minus the sum of the cost (C).

$$U = (V_a + V_b + \dots V_n) - (C_a + C_b + \dots C_n) \quad (9)$$

A variation of this formula can be applied to Bell's paradigms to illustrate the utility of the influence relationship in the more general context; that is, a context where influence includes all the variables of the relationship such as military sanctions, economic rewards or sanctions, etc. Such a formula begins with two nations (A) and (B), and addresses the three paradigms suggested by Bell in terms of what makes country A do (X) when presented with outcome (Y).

All three paradigms (if you do X; I will do Y, you will do Y, or He will do Y) suggest that a certain action  $x_1$  has a specified outcome  $y_1$ , and that some other action, say  $x_2$  has specified outcome  $y_2$ . The outcomes (y) may be as a result of what country B does when country A chooses action X; or outcome (Y) may be a result of an environmental change induced when A chooses action X. Nonetheless, country A will choose action  $x_1$  if and only if (assuming rational behavior): the rewards gained ( $\Sigma R$ ) minus the costs incurred ( $\Sigma C$ ), as a result of outcome  $y_1$ , are greater than ( $>$ ) the rewards and costs of outcome  $y_2$ .

In other words country A will choose  $x_1$  over  $x_2$  if and only if  $x_1$  such that  $\Sigma R_{y1} - \Sigma C_{y1} > \Sigma R_{y2} - \Sigma C_{y2}$ . Realizing that the summation of rewards or values gained by country A is equal to the direct rewards to A minus the rewards to B which imply a cost to A, (i.e. Soviet invasion of Poland may bring about immediate pacification but underlying hatred and increased future resolve), and that the same relationship holds true for the summation of costs, the inequality may actually be expanded. However, for the purpose of this study the inequality may simplified merely by recognizing that the concern here is with the net reward (either positive or negative) and by assigning a value (Q) to that net reward. So that  $Q_1 = \Sigma R_{y1} - \Sigma C_{y1}$ . Thus, country A will choose  $x_1$  over  $x_2$  when the change  $y_1$ , which may be an action by B or a change produced in the environment, produces a  $Q_1$  which is higher than  $Q_2$ , produced by  $y_2$ .

Nation B, then, has influence over nation A when it is able to mold the relationship such that the behavior it seeks from A offers greater net reward, or a lower net cost, to A than the alternative.

In attempting to highlight the difference between raw power and the influence relationship Ray refers to the Vietnam debacle. He cites as one example the fact that the North had a basically agrarian economy not particularly vulnerable to the strategy of massive bombing campaigns. He notes that, had their economy relied more heavily on industry

such a strategy might more easily have influenced their behavior.<sup>10</sup>

This example is totally consistent with the approach offered here. The outcome  $y_1$ , in this case a threat of massive bombing, could not increase the cost  $C_{y_1}$  sufficiently enough to make the net result  $Q_1$  higher than  $Q_2$ . Clearly Hanoi opted for the latter.

There remains only one aspect of the influence concept presented here that has not been addressed. The initiator, the nation seeking a response from the other nation, can never be assured that it will be able to totally control the environment. Therefore, the initiator's goal is to maximize the "probability" that the net result  $Q$  will be higher for the threat, promise, or environmental change  $y_1$  than that of  $y_2$ .

However, it is not the intent, nor is it within the scope of this study, to develop a conclusive methodology for the precise measurement of the influence relationship. It is the aim, however, to make clear to the student of foreign policy decision making, as well as to the decision maker himself, what the influence relationship really entails. It should be clearly understood that one nation can influence another to behave in the desired fashion only when it can shape the "total" environment so as to produce outcomes which give the recipient nation a higher net gain, or lower net cost than the alternative behavior.

## B. INGREDIENTS OF INFLUENCE

While the conceptual framework of influence presented in the above discussion suggests a slight departure from more conventional approaches, such a view does not require a revolutionary departure from the general consensus of how a nation acquires this influence. Although considerable liberties are taken in the literature to juxtaposition the terms "power" and "influence," there appears to be some degree of unanimity in describing the elements which contribute to their utility value. These elements can generally be categorized into economic, military, and political/ideological variables for the discussion of influence as it is viewed in this study.

Ray Cline's politectonic approach to power serves as a convenient point of reference to derive these categories. Simply stated, the politectonic approach is a means for Cline to "emphasize that the kind of power we are talking about is essentially political, economic and military."<sup>11</sup> He arrives at a formula which facilitates the incorporation of a host of variables to express the measure of a nation's relative power. This formula would assign to perceived power ( $P_p$ ) a value equal to: the sum of Critical Mass (C), Economic Capability (E), and Military Capability (M); times the sum of National Strategy (S), and National Will (W). It is expressed as:

$$P_p = (C + E + M) \times (S + W). \quad (12)$$

By grinding through this checklist the author is able to

derive a power coefficient for every nation. Unfortunately, while the result may provide a valid measurement of a nation's capability, it does so only in terms of paradigm 1, "If you do X, I will do Y." The quotient is a measure only of a nation's capability to apply a given sanction (positive or negative), but does not address a nation's ability to control the environmental paradigms, where (Y) is a result of something other than a direct sanction applied by the initiator.

Nonetheless, the validity of the multiplicative function does not hinder the validity of the variables themselves as the ones which are indeed essential to the influence relationship. As Cline himself readily admits in his introduction of the politectonic approach, the "kinds of power" the concept addresses are economic, military, and political. The simplification is readily apparent in that at least two of the variables may be closely interrelated. Where Critical Mass addresses population and territory, these elements can be said to be subsets of the economic factor. This is particularly evident if the factor is given the term "wealth," as Russet attempts to do in "Inventory of Influence Bases."<sup>13</sup> Clearly, the size of the population, its education level, and its per capita income may be factored into an overall index which can be called a wealth or economic factor. The same applies to territory. Its size, as well as percent arable land, and infrastructure can easily be factored into the same variable.

Strategy and national will can also be incorporated into one variable, but assigning a nomenclature is somewhat more difficult. National will implies the nation's resolve to apply a particular sanction. It should be noted that the influence relationship described here consists of more than a mere application of sanctions. While a nation's resolve does enter into the equation it can also be seen as a subset of a broader element which will ultimately contribute to the nation's ability to control the environment.

Thus, Cline's model can be simplified and Ray's discussion of "The Ingredients of Power" helps to clarify the simplification. Ray breaks these ingredients down into tangible and intangible factors, where the tangible factors closely parallel Cline's C + E + M, and the intangible factors are quite similar to S + W.<sup>14</sup> Most authoritative works on the elements which constitute "power" and/or "influence" take a similar view, but tend to differentiate the tangible factors into economic and military. Not only does this appear logically sound, but consensus in the literature tends to support its validity.

In 1942, Spykman suggested that there are four kinds of warfare which comprise a nation's power: Military, Economic, Political, and Ideological.<sup>15</sup> On the other hand, in 1946, E.H. Carr described the elements of power as military, economic, and power over opinion.<sup>16</sup> While the concept of power has since undergone significant evolution, the elements themselves have

remained relatively stable. Bruce Russet calls these military power, wealth, and deference.<sup>17</sup>

Whether the term applied to the intangible variables is deference, political, ideological, or power over opinion, these concepts all comprise the non-quantifiable political/ideological contribution to the influence relationship, and will be referred to as such in the forthcoming pages. Thus, partly as a result of consensus in the literature, and partly because the factors have at least some measure of logical validity, the decision maker should concern himself with the economic, military and political/ideological determinants of the influence relationship. In seeking to maximize his nation's ability to control that relationship the government official must consider how these three factors increase or diminish the nation's overall influence in the environment.

#### C. THE INGREDIENTS IN THE GLOBAL CONTEXT

Before proceeding into the second major discussion topic of this paper, which involves the application of the model, it will be necessary to explicate the role that these elements play in the international balance of influence. Since this paper will eventually focus directly on U.S. influence and the Republic of the Philippines, it is appropriate to draw on Robert Pringle's introduction to the problem he addresses in Indonesia and the Philippines: American Interests in Island Southeast Asia. Here he highlights three broad areas

of American interests which appear to closely parallel the elements of influence suggested above.

"Security interests mainly involve interaction among great powers. We must remain concerned that no hostile power control the region to our disadvantage ...Economic interests include growing levels of trade and investment plus access to some important natural resources, including oil and minerals...(and) ideological is the most subtle and controversial. We want to live in a world which in so far as possible is compatible with what we regard as universal human rights, including political freedom." 18

While these elements may or may not be ultimate interests as described in the discussion of the interest topology, their role in the international balance remains crucial. Moreover, if this paper is to present a model which can ultimately be applied to American foreign policy toward any part of the world, it must necessarily begin with an analysis of these determinants in the global environment.

The attempt here will be to emphasize the importance of these three variables particularly with respect to the U.S. relationship with Third World countries. The Republic of the Philippines (R.P) is a Third World nation and a member of the Group of 77. For this reason the U.S. position with respect to developing nations is the focus of this discussion.

In this context Soviet influence and power is pervasive but relies mainly on its military arm.

"Moscow seeks to improve its worldwide political influence as a corollary of its expanding military power. Washington seeks to retain global influence but U.S. military power no longer clearly dominant in East Asia and Pacific. U.S. economic influence still vast and pervasive while Soviet economic clout remains relatively minor." 19

As indicated in the above observation made by a writer for Far East Economic Review, Soviet influence is on the up-swing, at least in terms of the military factor, while the U.S. is on the decline. However, Scott Thompson has observed an overall enfeeblement on the part of the U.S. which must eventually be redressed.

"The combination of an enfeeblement of Western will at a time of Soviet growth in strength- at the strategic level, to one of superiority no later than the early 1980's (and, in my own view, in the 1977-78)- appears to be sufficient to change the assumption of how the world is organized: from one previously dominated by the West and its friends, to one in which Moscow is predominant, with the rules of the game shifting 'pari-passu'." <sup>20</sup>

Although all three aspects of the influence equation will be addressed, it seems logical, since the American emphasis is thought to be mainly economic, to begin the discussion with an analysis of the economic determinant of influence.

#### 1. Economic

The outlook for the future of the non-oil exporting developing nations is cloudy at best. However, a decline in the economic prosperity of the developing nations has a certain impact on the growth of the developed market economies as well. Therefore, the effort here will be to show the effects of this relationship and its significance to U.S. global influence. The premise is that future economic interactions which contribute to the development of Third World nations are of a high priority for the U.S. They are of a high priority not because of moral commitments but because

their decline directly diminishes our global influence in the economic sector.

A recent U.N. World Economic Survey illustrates that the prospects for growth in the Third World will undergo some crucial tests in the years ahead.

"For the non-oil exporting developing nations, one feature common to both 1974-75 and 1979-1980 is the unfavorable consequences for their growth of sharply rising prices in the world economy and recession in the developed market economies."<sup>21</sup>

Moreover, the role of the developed market economies in the decline of the developing nations is not negligible.

"The situation of the non-oil exporting developing nations is aggravated at the present time by the course of events and policies in the developed market economies. These economies are currently seeking to moderate domestic inflation partly by restricting aggregate demand and expenditure. In so doing, these countries reduce their demand for imports and shift external pressure on to their trading partners. In the aggregate, this means that pressure will be shifted from the developed market economies to the developing countries."<sup>22</sup>

By contributing to the decline of Third World nations U.S. global influence is hurt in two ways: it provokes a kind of unification on the part of these nations to combat the shifting pressures; and, it directly stimulates further decline of the developed market economies while at the same time sacrificing future opportunities.

a. Unification

Developing nations are not likely to idly watch their position and their bargaining power deteriorate. Though it is not likely that the Group of 77 will develop

into a 77 member cartel along OPEC lines (monopoly over a specific commodity would have to exist for such a cartel to be effective), the Third World is trying to improve its power base. Professor Martin Bronfenbrenner addresses the common purpose of the developing nations:

"The unifying idea behind all these things is the desire to increase the bargaining power of ldcs (less developed countries) against mdcs (more developed countries) over a broad range of international issues relative to trade, to aid, and to the international transfers of both capital and technology.

What seems to have developed is a collection of selfserving ldc theories of international economic relations, summarized under the glittering head of 'A New International Economic Order.' Of this collection,...UNCTAD (in concert with other ldc dominated U.N. agencies) has become the leading world spokesmen.<sup>23</sup>

The problem is not necessarily in the collective power that these organizations may wield, the problem is to avoid their using this power to the detriment of the U.S. The goal, therefore, lies in persuading these nations to follow policies based on reciprocity. Unfortunately, the U.S. has not always been able to accomplish this goal while others have. OPEC for one, has had some measure of success in dealing with the rest of the Third World. As Nathaniel Leff points out, OPEC has been able to steer the course of the New International Economic Order in its own favor.

"Continued focus on the NIEO issue has thus come to fill a different international role: providing LDC political support for OPEC for its oil pricing policies. With superb diplomatic skill, OPEC has succeeded in maintaining the allegiance of the oil importing LDCs--despite the impact of higher petroleum prices on Third World economic growth, foreign debt,

and external dependency. OPEC has achieved this feat, not by selling the LDCs oil at substantially concessionary prices, but by offering its support to them on behalf of the NIEO." 24

Thus if the U.S. fails to recognize the importance of the Third World in the international economic order, a minimum conjecture that can be made is that their collective power can and will be used in ways that will detract from our overall capability. In this instance, it is directly by way of supporting oil price increases.

b. Direct Decline and Future Opportunities

One may argue that policies which hinder U.S. growth ultimately hurt the LDCs even more, and that surely these nations will soon have to forego their support for OPEC. But, indeed according to the World Economic Survey recession appears to impact growth less adversely in developing countries than in the major industrialized ones.

"The recession and its aftermath had a particularly strong impact on the growth of the manufacturing sector. For several reasons, this sector is most severely affected by a deterioration in the external environment. In the first place, manufacturing production is more dependent upon imported inputs than other sectors of the economy. Secondly, the generally depressive effects on aggregate demand of a large increase in current account deficits tend to fall particularly strongly on the demand for manufactures, the consumption of which can be more readily curtailed than it can for agricultural products. Thirdly, the drop in the demand for manufactured exports affects manufacturing production in a number of countries that have adopted export oriented growth strategies." 25

But, while global recession impacts negatively on the developed market economies moreso than on the developing

nations and is therefore a major reason for concern, the correlation between Third World economies and U.S. influence need not be restricted to pejority.

Once again, one need not resort to emotive reasoning to justify the need for contributing to the development of LDCs. The U.S. does, after all, have much to gain from closer economic interaction. Growth in Third World economies represents opportunities for positive gain by way of new markets, access to energy and raw materials.

"Given the already existing state of mutual dependency between the industrial powers and the less developed countries, a former State Department official has prescribed the following trade-off: 'We need to strike a great bargain in which access to energy and other raw materials, which industrialized countries need, is traded for other kinds of access which the developing countries need-access to markets at stable and remunerative prices, access to technology, management skills, and investment capital and access to a fairer share of decision making in international institutions.'<sup>26</sup>

An economic relationship with the Third World based on such reciprocity paves the way for future gains on the part of both actors. While it may appear from the notation above that the LDCs are acquiring access to markets, favorable prices, technology and countless other benefits in exchange for raw materials and energy, it should be noted that the latter list of benefits often applies to developed market economies as well.

"...economic development is bound to create new and rapidly expanding markets for capital equipment imported from the developed countries. This equipment will be needed both in the newly established industries

and in the modernization of agriculture. The creation of import replacement industries to manufacture capital goods would require a high level of technology, vast resources of capital and skilled labor, and a large domestic market ...Economic development will raise the purchasing power of consumers in the developing countries. They will be able to afford products of higher quality and greater sophistication than the inexpensive basic consumer items that alone were within their reach in the past. These far more complex and expensive consumer goods, especially durables such as motor vehicles and electric appliances can be bought only from the developed markets." <sup>27</sup>

The Third World and indeed the entire spectrum of global economic relations represents a lucrative source of economic power. Unfortunately, the United States has often failed to recognize the connection between economic strength and its overall effect on the ability to achieve interests. Thus, while U.S. exports account for 8 percent of GNP, we "do not seem to fully recognize the importance of trade for employment, income investment, and economic growth at home."<sup>28</sup>

In 1975, U.S. trade with Third World countries in general comprised some 25 percent of overall trade. Exports amounted to \$23,414 million out of a \$107,652 million total, while imports accounted for \$20,062 million out of \$96,903 million total. This led to an overall \$3,352 million balance in favor of the U.S.<sup>29</sup> In addition, the composition of this trade lends credence to the fact that reduction in demand for manufactures has a tremendous impact on our export sector. The 1973 composition shows exports in primary products

comprising 24.4 percent of developed market economy exports, and 74.3 percent of developing market economy exports, while manufactured products comprised 74.3 percent for the former and 24.8 percent for the latter.<sup>30</sup>

Therefore, not only are favorable economic relations with the Third World necessary in terms of the collective power these nations may wield in the future, but the direct impact on the U.S. economy in terms of further decline and lost opportunity is equally vital.

#### c. Economic Summary

The significance of the economic determinant of global power cannot be overemphasized. Whether or not economic prosperity lies at the very core of the U.S. national interest topology is irrelevant. The fact of the matter is that "global influence" lies at the very core of a nation's ability to achieve anything, and economic strength is a vital contributor to that ability.

Third World collective power and direct decline or lost opportunity are, therefore, two aspects of U.S. economic relationships with developing nations that warrant closer attention. A recent Congressional study mission to East Asia highlights the unfavorable trends we must seek to reverse and very effectively summarizes this section.

"Meanwhile, the U.S. continues to drift without any clear policy directives for our world trade. Deeply absorbed with its large domestic economy, the U.S. neglects foreign trade interests. There is no question that this neglect has been instrumental in bringing about the decline of the U.S.

share in the East Asia market. With this loss and similar declining export competitiveness in other sectors of the world, comes a whole train of undesirable domestic U.S. problems-reduced growth, lost income, inflationary pressures, unemployment, international dollar erosion, and, inevitably declining prestige among world powers. Underlying these factors has been poor economic performance at home, including slowdown in productivity growth and very high rates of inflation.

It is imperative that the U.S. restore its economic productivity and reverse the deterioration of American economic, political and security positions in the world. As part of this effort, American business enterprises, the U.S. Congress and the Administration must give far higher priority to developing strong export markets. Failure to do so will be at national peril." 31

## 2. Military

In an era of clear strategic superiority the United States may have been able to pursue its own interests under the nuclear umbrella which held the Soviet challenge in check. However, as the era of "parity" and "essential equivalence" unfolded a new stage in the military aspect of global influence was ushered in. This new era is characterized by diminished emphasis on the nuclear environment as a means to dissuade potential adversaries from hostile adventurism or uninvited expansionism. In this environment global influence requires increased emphasis on military strength by way of conventional capabilities throughout key strategic areas of the world. The nuclear deterrent must continue to be maintained, but the nature of the Soviet threat has become clearer. It appears now that the greatest challenge lies in Soviet attempts to redefine the limits of their regional theatre of influence.

A recent Rand study, prepared for the United States Air Force by Frederick Sallagar, indicates that Russian nuclear parity and overall military superiority has led to a situation whereby the Soviet Union will adopt a new global military strategy. He argues that our inability to hide behind the nuclear umbrella, and indeed, our inability to use the nuclear threat at all, save for a direct attack on the U.S., opens the way for Soviet overtures in areas where the United States is not prepared to offer realistic resistance.

"Among the effects of the policy has been to disrupt global stability, and to encourage or allow local troublemakers to create situations that may sooner or later require American intervention in a critical area. This could precipitate a military confrontation with Soviet or Soviet supported forces, and thus become a more likely source of war between the superpowers than a direct Soviet attack on the United States." 32

Once again reference to the concept of interests and the role of influence helps to put military power in the proper perspective. Though interests may remain undefined, influence is required to achieve them. The U.S. must recognize that there are international actors who consider military power a prime determinant in the influence formula. Therefore, the military factor of American global influence is vital.

Unfortunately, while the U.S. has opted to pursue a forward basing strategy, it has too frequently been reluctant to pursue this strategy with the necessary fervor. The

United States must recognize the importance of these forward military operating bases not only in terms of the regional strength they provide, but also as a signal of American global resolve. Failure to recognize this importance will lead once again to vacillatory policy which may indeed result in the loss of key strategic installations.

While the Rand study is instrumental in pointing out the character of the Soviet threat, Edward Luttwak's "The Strategy of Inaction" elucidates the consequences of failure to signal our determination to counter this threat on a global scale. Professor Luttwak looks at the failure of "U.S. counter-intervention policy due to lack of tenacity." He accuses the Carter administration of ingenuity in "devising excuses for inaction in the face of Soviet activism in Africa," and indeed, throughout the Third World. His thesis, however, is that "the problem of Soviet imperialism must be confronted at its source; and not in its outward manifestation; only a rehabilitation of American power can deal with the threat."<sup>33</sup>

Although his discussion is centered about the Third World, relying heavily on the African theatre, the implications are global and the Southeast Asia contribution specifically, looms large in this perspective. Richard Walker's analysis of the U.S. Trans-Pacific Alliances complements Luttwak's view in the Southeast Asia region. He cites Richard Rosencrance in observing that "crosscutting alignments and even contradictory interests can prevent a return to bipolar animosities

and reduce the chances for the outbreak of international violence.<sup>34</sup> However, crosscutting interest must be counterbalanced with crosscutting power of equal magnitude. Thus he stipulates that:

"The next few years of efforts to maintain credibility for the American defensive shield, given the seeming decline in major threats, could paradoxically be the most crucial. In order to further the pluralization of interests and associations and encourage diffusion of power in the Pacific area, the United States will have to be especially careful to avoid moves that could prove destabilizing or that could be interpreted as an invitation for the sort of gamble the North Korean communists made in June 1950. American credibility remains a key factor in Pacific stability."<sup>35</sup>

But yet, this is precisely the global impact which strategic withdrawal from the military installations in the R.P. would have. Such a withdrawal, apart from its implications on one realistic defense posture, would signal the lack of American resolve which Luttwak argues is crucial in the contemporary power environment. Luttwak repudiates four administration excuses for inaction:

- 1- that the Soviet Union is a second rate power and has little ability to influence events beyond its borders
- 2- the denial of the lasting consequences of Soviet activism
- 3- that Soviet economic power does not have the ability to maintain influence
- 4- that an increase in Soviet influence is not a decrease in our own.

Having clearly established the invalidity of these argument he postulates that the real danger of declining military influence is that it redefines zones of demarcation wherein Soviet adventurism was heretofore unacceptable. He argues that "The military balance is manifest precisely in defining the limits of each country's natural sphere, and in shaping general conceptions of what is normal and acceptable conduct." Further, he does not hesitate to predict Soviet action following the vacuum left by American withdrawals. "Once the realities of power become manifest in the outlook of all concerned, action becomes feasible, and if it is Soviet action, a perfectly plausible justification will soon be forthcoming also."<sup>37</sup>

Such is the impact which American strategic withdrawal would have on our ability to exert global influence. A recent U.S. Army War College study observes the global connotations attached to such a withdrawal particularly with respect to the Philippines. "Withdrawal of U.S. influence and military presence in the Pacific nurtures the concept and the perception that U.S. status as a world power is in the early stages of its demise."<sup>38</sup>

Thus, if the Soviet Union seeks to increase its global influence and its major emphasis involves redefining the spheres of acceptable military involvement, then the U.S. should be prepared to deal with this threat on an equal footing. Failure to maintain a credible strategic commitment throughout various parts of the world could have severe global implications

for the U.S. and for its overall ability to influence. Robert Scalapino's observation of U.S. policy alternatives in Asia highlights these global implications and serves as a convenient summarization of the military factor.

In "U.S. Policy Alternatives in Asia" Scalapino looks at policy alternatives in the region and repudiates the proposition that the U.S. should adopt a thesis that it is a Pacific and not an Asian power. Further, he discusses the implications which "the resultant withdrawal of all strategic commitments from Asia." would have on U.S. bargaining positions. His contention is that such a withdrawal would have catastrophic effects because it would hinder intense protracted negotiations with the Chinese as well as the Russians over issues such as arms control, economic relations, and the future international order itself.<sup>39</sup>

Real military capability as well as the perception of American global military resolve are, therefore, vital elements in the international influence equation and warrant increased emphasis on the part of American decision makers.

### 3. Political/Ideological

Developing nations, and particularly the Philippines, are involved in a process of seeking their own political destinies. To insist that U.S. interests can only be pursued in an atmosphere of total global democracy is not only unrealistic, it also risks the danger of alienating those nations which are either not prepared for the democratic system, or do not want

to use the model for whatever reasons. The mere fact that their situations are not conducive to democratic forms does not imply that these nations are communist or even if they are, that they are necessarily hostile to the U.S.

In "The Third World and the Conflict of Ideologies" Max Beloff argues that these nations may not be ready for either style ideology-communist or democratic. He stresses that in those situations where Leninist models for party structure and Maoist ideas of guerilla warfare have been used in overthrowing existing rulers, the ideology involved for the construction of new states is irrelevant. Both the communist line and the Western democracies presuppose:

"a high degree of authority on the part of the state, and a governmental machine that has a conception of common goals and is not simply a means for personal enrichment or social promotion; they also presuppose already existing cadres of skilled workers and professional people<sup>40</sup>

But the overriding point is that "in a large part of the Third World these preconditions are not met."<sup>41</sup> But, if these conditions are not met and we cannot be certain of what the political structure will be-how will the political variable contribute to U.S. global influence?

The solution is not to be so overconcerned with ideology that the influence goal suffers disproportionately. It should be remembered that while ideological principles may at times be at the very forefront of American national interest, they are subject to shifts in prioritization. Thus, since the

overriding concern is the effect which a particular policy based on ideology has on U.S. global influence. In this context the only requirement the U.S. should demand in the political forum is a form of government with which the U.S. can reasonably coexist. Admittedly, in our system this bears a concomitant requirement of freedom from repression. But, to what extent does this hinder our ability to relate to different ideologies? Clearly, the fact that the People's Republic of China is a communist regime (or perhaps better stated-Maoist regime), has not stood in the way of friendly negotiations along cultural, economic, and perhaps in the not too distant future, military issues.

As Robert Pringle puts it: "If the Philippines, or others, move toward democracy on their own terms, whether revolutionary or evolutionary, we should applaud and make every effort to increase cooperation after the fact."<sup>42</sup> This is the kind of political forum that will realistically enhance our global influence, not a childish pursuit of trying to attain what is unrealistic to attain-global democracy and human rights.

The Soviet Union has its ideological foundation, but they differ in that they recognize the political realities of the international system, and are therefore, flexible in how ardently they cling to their ideology at any given situation.

"The rulers of the Soviet Union...are of course ultimately inspired by an ideological commitment, but they have avoided allowing their activities in

the Third World to be robbed of flexibility by considerations of ideological purity...Since the Soviet rulers preserve at home a highly structured bureaucratic regime...they are in a strong position to cultivate the advantages that the conflict of ideologies confers on them."<sup>43</sup>

However, it is not necessary that the U.S. follow the Soviet lead in shedding all moral consciousness merely to be aligned with the strongest faction within each country. What is necessary is to be realistic in pursuing the American system of values for other nations, since these may not be relevant to their societies. The U.S. must establish mutual understandings with those nations that, while not necessarily consistent with American internal values, are not necessarily repulsive to their own societal values.

Strobe Talbott offers some suggestions as to how the U.S. should deal with distasteful dictatorships. He suggests four alternatives.

"First, the U.S. should be especially wary of embracing dictatorships that have sprung up in countries with democratic traditions, like Chile and Greece..."

Second, the U.S. has more reason to regard a strict perhaps unsavory regime in a country as viable if that country faces an external threat..."

Third, it is wiser to support a regime in a country that has a system for assuring a measure of continuity than in a nation that does not."

But, perhaps the most salient point, and the one which will have continuing significance as this study progresses into the regional and national scales, is his last assertion.

"Finally the U.S. should be acutely sensitive to fundamental and widespread changes in the nature of internal opposition to right wing rulers,

particularly radicalization, growing resentment of the U.S., and an increased willingness on the part of democratic moderates to make common cause with leftist extremists. Where that happens, as it is happening now in the Philippines, the U.S. would do well to step up regular diplomatic communication with the moderates and thus help strengthen them." <sup>44</sup>

The international political order will contribute to American global influence only when nations can seek their own destiny and the U.S. helps them in so doing. The Nixon Doctrine is just such an example of how this rubric contributes to the American ability to realize net gains, in the very sense. In indicating to the Chinese that the United States would not abandon its Asian allies but that each would play an increasingly significant role not only in determining their own future but in their own defense as well, the Chinese became convinced that "militarily strong and politically independent nations in Asia offered an important counterbalance to increased Soviet strength in the region." <sup>45</sup>

This new outlook on the part of the Chinese helped to pave the way for significant gains in the U.S. ability to play the China card with respect to the Soviet Union. Clearly this aspect has increased the American ability to achieve its own interests since it has provided us with a measure of influence not currently enjoyed by the Soviet Union.

The political/ideological determinant in the influence relationship is, therefore, a vital link in the American ability to achieve its national interests. Whether by way of

promoting democratic principles, when this presents a realistic goal, or by way of tolerating an unpopular dictatorship while at the same time seeking dialogue with the wave of the future within these nations, the American goal should seek interaction within a political forum which best contributes to our global influence.

#### D. SUMMARY

The main emphasis in this chapter has been merely to propose that the decision maker must be concerned with the ability to achieve the national interest topology regardless of how that space is eventually defined. In the international arena there is no existing organization which can automatically guarantee any nation its interests or even the right to pursue its interests peacefully. Therefore, the nature of international politics is such that power, or influence as it is viewed in this study, is the vehicle through which nations seek to protect and promote their own individual interests.

Since the ability to influence international actors is the only means through which interests are secured, a thorough understanding of "influence" on a conceptual level is crucial. While there are a host of techniques available to measure national power there appears to be some divergence in the literature as to its application. The fact that a nation has more units of power than another does not necessarily imply that it can compel or persuade another nation to behave in a certain way. The only sure way to guarantee such behavior is

to present that nation with a set of choices such that the choice you seek from them represents a higher gain or a lower cost than the alternative.

This can be expressed in a simple formula. Where nation B seeks choice  $x_1$  from nation A vis-a-vis choice  $x_2$ , B must be able to control the respective outcomes  $y_1$  and  $y_2$  such that the net gain ( $\Sigma R_y$ ) minus the net cost ( $\Sigma C_y$ ) are greater for  $y_1$  than they are for  $y_2$ . Or

$$x_1 \text{ such that } \Sigma R_{y1} - \Sigma C_{y1} > \Sigma R_{y2} - \Sigma C_{y2}$$

This formula, while by no means suggesting to provide conclusive methodology for the precise measurement of influence, does help to clarify the real essence of the concept. That is, if rationality is assumed, nations will act the way one wants them to only when such action maximizes their gain or minimizes their loss.

But, while there is considerable divergence with regard to the concept, there is relative unanimity with regard to the variables which contribute to national influence. Various scholars distinguish between four variables, while others argue for three. For the purposes of this study most variables can be incorporated into two general categories: tangible and intangible. Two tangible elements, however, are seldom combined. These are the military and economic elements. Since the distinction between these two elements appears logically valid and the literature tends to support the differences, the tangible factor has been broken down into the military

and economic elements. The intangible factors have been incorporated into one, political/ideological, variable.

What emerges is a situation where three distinct variables are seen as the primary composites of a nation's global influence. The decision maker must, therefore, be concerned with the role that these variables play in contributing to or detracting from American global influence. With this in mind the chapter proceeds into an analysis of the three determinants of national influence on a global scale.

Economic relations with the Third World based on reciprocal benefit is seen as vital to future U.S. global economic influence. The nature of the Soviet threat requires increased emphasis on the part of the U.S. to increase its ability to check Soviet initiatives/adventurism throughout various parts of the world. Finally, the political/ideological evolution of many of the developing nations requires the U.S. to take a realistic approach in dealing with these nations. Not only are many of these nations not prepared for democracy, many do not wish to use the model. This does not necessitate hostile or even unfriendly relations, rather it necessitates a political dialogue which recognizes their sovereignty while seeking to protect and promote our own capability.

Thus, the model which has been proposed is one in which the decision maker is cognizant of the relationship between the national interest topology and American global influence to achieve the same. In seeking to improve one's own ability

to achieve interests one must seek to maximize his own economic, military, and political/ideological strength, since these are the means through which a nation is able to influence international actors.

## FOOTNOTES

<sup>1</sup> Nicholas John Spykman, America's Strategy in World Politics: The United States and the Balance of Power. (Harcourt, Brace, and Company, Inc.: New York, 1942) p. 17

<sup>2</sup> Ibid. p. 18

<sup>3</sup> Harold and Margaret Sprout, Foundations of National Power: (D. Van Nostrand Company, Inc.: New York, 1951) p. 39

<sup>4</sup> Robert J. Lieber, Theory and World Politics. (Winthrop Publishers, Inc.: Massachusetts, 1972) p. 90

<sup>5</sup> Ibid. p. 97

<sup>6</sup> Ibid. pp. 91-93

<sup>7</sup> James Lee Ray, Global Politics. (Houghton Mifflin Company: Boston, 1979) pp. 96-98

<sup>8</sup> David J. Bell, Power, Influence, and Authority. (Oxford University Press: London, 1975) pp. 21-26

<sup>9</sup> Klaus Knorr, On the Uses of Military Power in the Nuclear Age. (Princeton University Press: New Jersey, 1966) p. 15

<sup>10</sup> Op.Cit. James Lee Ray, Global Politics. p. 97-98

<sup>11</sup> Ray S. Cline, World Power Assessment 1977: A Calculus of Strategic Drift. (Westview Press: Boulder, Colorado, 1977) pp. 3-4

<sup>12</sup> Ibid.

<sup>13</sup> Bruce M. Russett, Power and Community in World Politics. (W.H. Freeman and Company: San Francisco, 1974)

<sup>14</sup> Op. Cit. James Lee Ray, Global Politics. pp. 100-

<sup>15</sup> Op. Cit. Nicholas John Spykman, America's Strategy in World Politics.

<sup>16</sup> Op. Cit. E.H. Carr, "Forms of Power," from chapter 8 of The Twenty Years' Crisis 1919-1939, by E.H. Carr. MacMillan & Co., London, 1946. As it appears in Foundations of National Power, by Harold and Margaret Sprout.

<sup>17</sup> Op. Cit. Bruce M. Russett, Power and Community in World Politics.

<sup>18</sup> Robert Pringle, Indonesia and the Philippines: American Interests in Island Southeast Asia: (Columbia University Press: New York, 1980) pp. 18-20

<sup>19</sup> "Relationships: Bird's Eye View of Asian Discord," Far East Economic Review (FEER) Asia 1980 Yearbook. p. 18

<sup>20</sup> W. Scott Thompson, editor, The Third World: Premises of U.S. Policy. (Institute for Contemporary Studies: San Francisco, California, 1978) p. 10

<sup>21</sup> "1979-1980, Current Trends in the World Economy," World Economic Survey. (United Nations: New York, 1980) p. 8

<sup>22</sup> Ibid. p. 10

<sup>23</sup> Op. Cit. Martin Bronfenbrenner as quoted in: Peter T. Bauer and Basil S. Yamey, "The Third World and the West: An Economic Perspective," from The Third World p. 120

<sup>24</sup> Op. Cit. Nathaniel H. Leff, "Beyond the New International Order," from The Third World. p. 265

<sup>25</sup> Op. Cit. World Economic Survey. p. 94

<sup>26</sup> "The United States and the Third World," Department of State Discussion Paper; (Department of State Publication 8863; General Foreign Policy Series 301; Office of Media Services Bureau of Public Affairs; (U.S. Government Printing Office; Washington, D.C., July 1976) p. 64

<sup>27</sup> Paul Alpert, Partnership or Confrontation. (The Free Press: New York, 1973) p. 85

<sup>28</sup> "East Asia Study Mission January 5-14, 1980" Report Prepared for the Use of the Joint Economic Committee Congress of the United States; 90th Congress, 2nd Session, (U.S. Government Printing Office: Washington, D.C., June 26, 1980) p. 1

<sup>29</sup> "U.S. Foreign Trade: Highlights of Exports and Imports," December 1972 and December 1973; "Highlights of U.S. Export and Import Trade," December 1974; (U.S. Department of Commerce) and Trade Reference Center, U.S. Department of Commerce- as cited in The U.S. and World Development: Agenda for Action 1976. Roger D. Hansen, (Praeger Publishers: New York, 1976) p. 7

<sup>30</sup> Ibid. p. 179

<sup>31</sup> Op. Cit. "East Asia Study Mission." p. 10

<sup>32</sup> Frederick M. Sallagar, "An Overview of the Soviet Threat," A Project Air Force report prepared for the United States Air Force, Rand. (The Rand Corporation: Santa Monica, California, February, 1980) p. 2

<sup>33</sup> Edward N. Luttwak, "The Strategy of Inaction," from- The Third World: Premises of U.S. Policy. W. Scott Thompson, Editor, (Institute for Contemporary Studies: San Francisco, California, 1978) p. 182

<sup>34</sup> Richard Walker, "The Future of U.S. Trans-Pacific Alliances," Orbis. 1975, Vol 3, p. 921

<sup>35</sup> Ibid. p. 922

<sup>36</sup> Op. Cit. Edward Luttwak, "The Strategy of Inaction," from The Third World. pp. 169-182

<sup>37</sup> Ibid.

<sup>38</sup> Connell, Cowles, and Hoge, "Republic of the Philippines- A Strategic Study," Army War College. (Carlisle Barracks: Pa. June 1977) p. 25

<sup>39</sup> Robert A. Scalapino, "U.S. Policy Alternatives in Asia," Parameters. Vol 5, Iss. no. 2 (1976) p. 22

<sup>40</sup> Op. Cit. Max Beloff, "The Third World and Conflict of Ideologies," from The Third World. p. 22

<sup>41</sup> Ibid.

<sup>42</sup> Op. Cit. Robert Pringle, Indonesia and the Philippines. p. 115

<sup>43</sup> Op. Cit. Max Beloff, "The Third World and Conflict of Ideologies," p. 16

<sup>44</sup> Strobe Talbott, "The Dilemma of Dealing with Dictators," Time. September 24, 1979. p. 48

<sup>45</sup> China-U.S. Policy since 1945. Congressional Quarterly, (Congressional Quarterly Inc; Washington, D.C., 1980) p. 7

#### IV. SOUTHEAST ASIA AND THE PHILIPPINES

Part one of this thesis was primarily an attempt to illustrate the necessity for taking a broader view of U.S. objectives with respect to other nations. It was argued that foreign policy should not be based on any single precise definition of the national interest for several reasons. First, the concept is nebulous and there is considerable disagreement as to its interpretation. Moreover, the difficulty of defining the national interest within our own borders becomes exponentially more difficult when it is projected to U.S. national interests in another country. Second, such a precise definition is subject to change as the mood of the nation shifts within the domestic environment.

Therefore, U.S. foreign policy should be based on the nation's ability to influence international actors. This ability is acquired through economic, military, and political/ideological strength which enables a nation to control the outcomes of another's actions. The goal is to control these three variables such that the results of the behavior one seeks from other nations represents a higher reward or lower cost for them than the alternative.

As the study now attempts to apply this broader view to U.S. policy toward the Philippines one would naturally expect an analysis of how the U.S. relationship with that nation can

be made to contribute to America's ability to achieve its national interest topology. By applying the model suggested, the immediate question becomes: how does the U.S. relationship with the Philippines contribute to U.S. global influence? The same question, in negative terms, helps to clarify the problem. In other words, how would total divestiture of relationships with the Philippines affect U.S. global influence?

In order to deal with this question it is necessary to analyze the three elements of global influence in terms of the Philippine external environment. The U.S. relationship with the Philippines can, in this sense, be seen as vital, for its contribution to U.S. influence in Southeast Asia is significant. However, if U.S. policy objectives in the Philippines are to be couched in terms of how the islands contribute to U.S. regional influence, then it will be necessary to defend the need for U.S. influence in the region.

The ingredients of influence are vital to the U.S. ability to influence world events in general. A strong U.S. economic, military, and political/ideological position in Southeast Asia is essential if the U.S. is to exert its influence in international events, not only in Southeast Asia, but in the Middle East and Northeast Asia.

Therefore, in applying the proposed model, these final chapters will address U.S. influence and the policy alternatives available to acquire it. Chapter IV will attempt to elucidate the significance of U.S. economic, military, and

political/ideological strength in Southeast Asia; and, the role of the U.S. relationship with the Philippines in contributing to or detracting from this regional influence. Chapter V will delve into the Philippine internal environment to prognosticate as to possible future developments and their implications for U.S. policy objectives. Various scenarios will be discussed so as to select possible courses of action available to the U.S. to improve or maintain its influence in the Philippines and the Southeast Asia region.

The main emphasis of this chapter is to examine the proposition that a continued American involvement in Southeast Asia is essential for the exercise of U.S. global influence. The role of the U.S. relationship with the Philippines, as a contributor to regional influence, will be analyzed to determine the need for a continued American military presence on the islands within a hospitalbe political environment.

#### A. U.S. INFLUENCE IN SOUTHEAST ASIA

The American national interest may include a host of interrelated values and needs many of which require interaction with various nations of the world. Specifically, economic, military, and political/ideological strength in the Southeast Asia region can have a significant impact on the U.S. ability to influence world actors so as to achieve these interests.

Southeast Asia shows signs of developing into a lucrative market and perhaps a crucial source of raw materials. To neglect this strategic marketplace is to risk the possibility

of losing access to it in the years ahead with negative repercussions for U.S. economic strength. The political/ideological climate within most of the nations of Southeast Asia is in a process of evolution where each nation is attempting to determine its own political destiny. This political/ideological dynamism, however, may be threatened by the goals of certain other outside actors whose intentions are as yet unclear, and whose main element of influence is military.

Before starting out on an analysis of these three variables it is perhaps beneficial to gain an understanding of some of the most recent developments in the region, particularly with respect to the super-power, and major-power, bilateral and trilateral relationships in the region. This aspect has already been presented in the Far East Economic Review's Asia 1980 Yearbook, and is offered here as Appendix A.<sup>1</sup>

One final glimpse into super-power objectives is perhaps in order before commencing. A Praeger Special Study by Chawla, Gurtov, and Marsot (Southeast Asia Under the New Balance of Power) published in 1974 summed up the Soviet objectives in the region.

"Despite Moscow's denials, Soviet actions imply that the Asian collective security ideas as well as Soviet efforts in the individual countries of the area are primarily directed against the Chinese. Moscow is certainly not interested in an ASEAN sponsored neutralization that could well be either a smokescreen for continued U.S. control and influence, or a vacuum from which the U.S.S.R. is excluded but the CPR (PRC) is not...The next few years seem likely to witness an increase in Sino-Soviet competition in Southeast Asia as the

United States reduces its military presence and as the Soviet Union seeks to fill that vacuum and contain an increasingly assertive China."<sup>2</sup>

With a basic appreciation for what these relationships entail and what the objectives of some of the major actors might encompass, the study focus is on the U.S. economic, military, and political/ideological objectives in the area.

#### 1. Economic

The East and Southeast Asia region is a lucrative marketplace and shows every sign of not only maintaining this status but also of growing even more lucrative in the years ahead. Of the \$143,660 million in total U.S. exports for 1978, East Asia purchased \$28,758 million for a full 20.0 percent. This ranked second only to West Europe. Appendix B shows the extent of U.S. exports to East Asia, by commodity by country for 1978.<sup>3</sup>

The East Asia Study Mission Report to the Joint Economic Committee of Congress of January 1980, highlights some of the general trends in the U.S. economic relationship with East Asia. (The study mission designated East Asia as the region from Burma eastward to China, Hong Kong, Taiwan, Korea, Indonesia, The Philippines, New Zealand, Japan, Australia, and some small island nations of the Pacific). The first, is that U.S. two way trade with East Asia is now equal to that of all of Europe. The second, is that East Asia bought 10 percent of the manufactured exports of developed countries in 1978, and for the United States it was even more

important. The region purchased some 20 percent of the total U.S. export volume, ranking second only to Europe which accounted for 27.5 percent. The third point is perhaps the most relevant to this discussion. That is, it was not necessarily the developed countries of East Asia that bought most U.S. exports since, the study mission found, developing country imports grew faster in the 10 year period than did the developed markets of Japan, Australia and New Zealand.<sup>4</sup>

Not only have their imports grown significantly, their overall rate of growth has kept a pace unmatched by the developed market economies. The region's overall average rate of growth is 7 percent with some nations posting a 10 percent increase, while imports have increased 20 percent annually.<sup>5</sup>

These figures are likely to grow as "U.S. Business Looks at ASEAN." The Association of Southeast Asia Nations was formed on August 8, 1967 as an organization to promote economic, cultural, and political cooperation between the Philippines, Indonesia, Malaysia, Singapore and Thailand (Appendix C).<sup>6</sup> Since then, ASEAN has had some ups and downs, but the fall of Saigon and the invasion of Kampuchea have led to an intensification of mutual cooperation while attempting to avoid any military connotations. This has paved the way for a revitalization of economic interests on the part of U.S. business.

The ASEAN countries have enjoyed an average 7 percent growth rate in the last 10 years while the GNP growth for

the industrialized nations has slowed to 3 or 4 percent. Moreover, "ASEAN GNP will double by 1990 and the region will emerge as a new center of world economic power."<sup>7</sup>

Oakley Johnson, director of Asian Pacific Affairs section of the U.S. Chamber of Commerce, describes the U.S. economic interest in ASEAN.

"ASEAN's rapid economic growth was better understood by many U.S. executives who have come to share a growing, worldwide confidence in the future of the countries that constitute the ASEAN group.

Today, ASEAN-US commercial linkages are indeed impressive. Two way trade amounted to over \$16 billion in 1979, with a \$2.5 billion balance in ASEAN's favor, mostly due to Indonesian oil exports. This placed ASEAN as our fifth largest trading partner...In 1979, US exports to ASEAN jumped an astounding 47 percent and US private investment grew to over \$4 billion. Recent studies have indicated that ASEAN is becoming an increasingly attractive area for US foreign investment....Over the past 12 years there has been a fourfold increase in US investment based in part on consistently higher rates of return for ventures in ASEAN as compared with those of the rest of Asia and the developing countries overall."<sup>8</sup>

This increasing interest in the ASEAN region is reflected in the IMF statistics for 1977 trade. In 1977, ASEAN alone purchased \$7.7 billion from the U.S. selling, \$3.9 billion in exports. This was 4.2 percent of the U.S. total world trade for the year and 10 percent of the total U.S. trade with developing nations. Moreover, the average annual rate of growth for trade with the U.S. was 29.7 percent for the period 1973-77.<sup>9</sup>

These figures indicate - substantial American interest in the economic relationships with Southeast Asia, however,

there are a number of ambiguities. Although US exports have increased significantly along with direct investment and the overall trade position, it should be remembered that the U.S. share of the market is actually losing ground, particularly in the wake of an ever increasing Japanese involvement.

The U.S. share of the regional market has fallen from 41 percent in 1960 to 34 percent in 1979.<sup>10</sup>

The most recent set of IMF statistics reflects that the U.S. competitive stance is still far from what it could be. In 1979 Japan imported US \$16,148 million from ASEAN with over half that figure from Indonesia (\$8,725 million, a large portion of which consisted of oil imports. The U.S., on the other hand purchased only US \$10,006 million with only \$3,925 million from Indonesia. On the export side, however, Japan was able to sell US \$9,577 million, while the U.S. shipped only US \$6,775 million to the same countries.<sup>11</sup>

Although this decline is in relative terms only there is real cause for concern. The U.S. may actually be investing, and exporting more than ever before but the rate of growth of the U.S. share has not kept pace with that of Japan or the rest of the world. For the following periods, East Asia imports grew as indicated but imports from the U.S. did not keep pace.

	1969-78	1969-72 per annum	1972-75	1975-78 growth in percent <sup>12</sup>
Growth of world imports	19	15	28	15
Growth of East Asia imports	21	15	33	15
Growth of East Asia imports from U.S.	17	12	29	12
Growth of developing East Asia country imports	23	26	34	19
Growth of developing East Asia country imports from U.S.	21	15	35	15

Bernard Gordon has addressed the decline in American economic initiative in, "Japan, The United States, and Southeast Asia." He argues that where the United States presence in the Pacific was based on a wide spectrum of "assistance, trade and investment, education and cultural effort, and defense"; there has now been a decline in most of those roles "with only defense remaining a high priority of official concern." He concludes that since our foreign policy requires public acceptance and support, this will soon raise questions about what the U.S. is there to defend.<sup>13</sup>

Such decline in economic initiative contributes very tangibly to a loss in overall global influence. What is needed is recognition of the importance of U.S. involvement in global economic relationships, and especially the significance of the Southeast Asia market. ASEAN is not only a

lucrative future market but how the U.S. relationship with the countries of the region evolves can be seen as an indicator of the U.S. relationship with Third World nations in the long haul.

"Today ASEAN is seen less as an incipient alliance than as an influential subsector of the Third World, composed of relatively advantaged countries with mixed economies, a like minded coalition with which the United States should be able to cooperate in its dealings with a sometimes hostile south. Officials are fully aware that if 'moderates' such as Indonesia and the Philippines become sufficiently alienated, the result would be to stimulate economic radicalism on a global scale."<sup>14</sup>

The United States must seek to reverse the trend of economic vacillation which detracts from global prestige and the ability to influence. In a report to the Joint Economic Committee by the East Asia Study Mission of January 5-14, 1980 this negligence was highlighted

"The persistent and continuing trade and payments deficits of the United States fuel inflation and represent lost economic opportunity. Moreover, they contribute to a loss of credibility of the United States as a world leader...Despite the seriousness of these problems the U.S. has no economic strategy to realistically cope with them."<sup>15</sup>

The Study Mission found that a major contributor to the decline was American disincentive by way of tax laws. They recommended five revisions.<sup>16</sup>

- 1- enact corrective legislation on Sections 911 and 913 of the Internal Revenue Code to put Americans working abroad on a competitive footing with third country nationals.

- 2- offer tax credits for initial costs of developing new foreign markets.
- 3- streamline administration of the Foreign Corrupt Practices Act and urge adoption of an international code of business conduct.
- 4- revise the Webb Pomerene Act to give U.S. consortiums the ability to compete for international contracts.
- 5- raise the funding leverage of the Ex-Im Bank to help U.S. in winning multi-million dollar contracts.

While these revisions may not cure the problems entirely, they do at least represent a step in the right direction towards improving the American position in global economics, particularly in the realm of developing new markets and specifically in East and Southeast Asia.

Not only island Southeast Asia but peninsular Southeast Asia and the mainland states as well, offer tremendous opportunities for the expansion of U.S. global influence in the economic sector. American economic influence in the region is pervasive but to neglect its future potential is to court disaster. Although Robert Pringle asserts that the "American private sector is already the most potent agent of U.S. influence in island Southeast Asia,"<sup>17</sup> others, particularly Bernard Gordon (note 13 above), point to the U.S. not keeping pace with regional growth to question our ability to maintain

this influence. To the extent that the area represents new markets and trade potential as it develops economically, as well as the extent to which this element of influence in the region can contribute significantly to the U.S. global influence, this "ingredient" in the influence relationship must rank high in the list of priorities.

## 2. Military

Southeast Asia today is "undergoing its own transition from an unfortunate past to an uncertain future, albeit with high hopes for what the future will hold."<sup>18</sup> American military capability in the region must, therefore, be couched in terms of the role the U.S. will play in this transition. Ignoring this role risks the possibility that regional actors or even extra-regional actors might adopt certain propensities to act in ways contrary to U.S. interests. The military variables must, therefore, seek to provide the U.S. with the measure of influence necessary to curtail such actions and indeed to promote favorable behavior.

Unfortunately decision makers have all too frequently addressed the question of military capabilities from a strictly national perspective, or at best a regional scale, ignoring the global implications of regional military power. In 1969 Senator Symington questioned Admiral Kauffman and General Gideon during Seante hearings on the Philippines installations to suggest the lack of any military threat to the island.

SENATOR SYMINGTON: What is the capacity from the military standpoint of the Red Chinese today in the Pacific to menace the Philippines from a military standpoint since this is a military board?

ADMIRAL KAUFFMAN: I would say at the moment, sir, very small...

...SENATOR SYMINGTON: What you two are actually saying, militarily speaking is there is no threat to the Philippines, are you not?<sup>19</sup>

Although this exchange took place over a decade ago, it reflects the kind of narrow view of global influence which has brought the U.S. to its current dilemma. Luckily, the Philippine bases have survived but continued neglect of the global implications of regional military power could have catastrophic effects, particularly in the contemporary international environment.

In "Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, (Foreign Assistance and Related Programs Appropriations for 1980)" The Assistant Secretary of State for East Asian and Pacific Affairs, Richard Holbrooke, analyzed the Philippine bases from a broader perspective.

"Recent increases in the Soviet Pacific fleet and the need to maintain the military balance in the Korean Peninsula are of immediate concern. These situations have combined with the recent Vietnamese invasion of Cambodia, growing Soviet influence in Afghanistan, unrest in Pakistan and Iran, and Soviet and Cuban military presence in Ethiopia and South Yemen to raise questions among our friends and allies and hopes among others. The Pacific defense posture described in Secretary Brown's report, in which our Philippine bases are so important as forward bases, must be maintained if we are to allay those doubts."<sup>20</sup>

The question Mr. Holbrooke referred to indicates the necessity for a more pragmatic approach to how the U.S. should view its military role in Southeast Asia. This approach raises two basic issues: two-way traffic to and from the Middle East and the Indian Ocean; and, one nation dominance of the Southeast Asia region. Clearly, the U.S. will have some role, positive or negative, with respect to these issues. The decision maker must, therefore, have a thorough understanding of just what that role entails.

a. The Indonesian "Sea Wall"

The Indian Ocean and the Middle East is a veritable hotbed of controversy. Not only is the region potentially unstable from within, but world dependency on its energy resources makes it a widely contested area among the world's major powers. With respect to East and Southeast Asia there is an added Dilemma. That is, all sea traffic must traverse the narrow Indonesian Straits in order to have access to the region.

For the United States traffic going west through these straits is of vital importance. Denise Lanot, writing for the Journal of Commerce in April 1980, highlights Congressional concern of the "possibility of Soviet Union domination-directly or indirectly- of much or all of the oil of this (Middle East) region."<sup>21</sup> To counter this possibility the U.S. must be able to bring its forces to bear on the region, should the need arise. This does not constitute a

recommendation for such action, but preparation for such a contingency is absolutely essential, and may indeed already be taking place.

An excerpt from a Congressional "extension of remarks" of Fortney Stark's "The Erosion of a Dictatorship," highlights the U.S. dilemma in dealing with Marcos while preparing a force posture capable of responding to the Middle East.

"The problem is especially critical because it comes at a time when the two U.S. bases in the Philippines ...are being recast as the logical hub for military deployment in the Indian Ocean. The role was highlighted by two well publicized excursions to the Indian Ocean by two Subic Based aircraft carriers ..., by Subic serving as the jumping off point and training center for an 1800 man Marine task force now headed for the Arabian Sea. The Philippines, some suspect, is now being groomed for something bigger, to serve as the Western Pacific springboard for the 100,000 man Rapid Deployment Force, now being stitched together by the Pentagon."<sup>22</sup>

If for no other reason than to insure a U.S. capability to traverse these straits so as to respond to the Indian Ocean and the Middle East, American influence in Southeast Asia is essential, and the military factor is a crucial link to this regional influence. However, the straits are vital in at least one other aspect.

Middle East oil travels through these straits to form the energy lifeline of many of our East Asian allies, including the Philippines. The Asian Wall Street Journal Weekly points out the fears of Asian nations with respect to closure of the Straits of Hormuz. However, for them the

problem does not end with the Persian Gulf for having traversed the Straits of Hormuz these tankers must still pass through either the Malacca, Sunda, Lombok, or Ombai-Wetar Straits. The percentage dependency on Middle East Oil of Asian nations, shown below, helps to illustrate these nations' concern.

percent of total crude imports  
through the Straits of Hormuz<sup>23</sup>

Japan	73%
Thailand	90%
Malaysia	40%
Philippines	64%
South Korea	95%
Singapore	75-85%

Whether or not the United States has a moral obligation to protect these vital sea lines of communication for the benefit of its trading partners is immaterial. The fact remains that this energy life-line is crucial to the economic prosperity of most of these nations and that blockage of these straits could easily bring about their collapse. They must, therefore, insure that these straits remain open. If the "free world" is unable to guarantee safe passage, this can only increase the level of influence that can be applied by whosoever is capable of making such guarantees. As long as Indonesia remains relatively non-aligned and cooperates with the U.S., or is at least not hostile, there is no great danger. However, should a hostile nation gain control of the Indonesian "sea wall," the results could prove to be catastrophic.

b. Nature of the Threat

The military factor of regional influence is essential in terms of keeping the Indonesian straits open. However, in order to understand the military role, one must understand the nature of the threat and how the military strength counters it.

The key here involves Vietnam, Thailand, and the validity of the domino theory. When the United States pulled out of Vietnam, U.S. Forces merely moved to Thailand. However, in accordance with the Nixon Doctrine and Thai suspicion as to the future American role, the new military entrenchment came under question. Ultimately the United States pulled its forces out of Thailand. An interesting caveat with particular significance, is that the same exact arguments were used to justify that withdrawal as are now being used to justify a withdrawal from the R.P.<sup>24</sup>

Saigon fell, and next on the agenda was the return to Hanoi-Washington normalcy. Prior to its invasion of Kampuchea, Hanoi intensified its quest for independence from Soviet dominated sponsorship through attempts at rapprochement with the West. Failing this, a Soviet style National Liberation Movement was put into effect to oust the PRC and American sponsored Pol-Pot regime in Kampuchea.

Now, in the "Third Indochina War," Turley and Race believe that the future U.S. course should be to entice Hanoi since they are susceptible to enticement. However, in

the very same line they suggest that this would not bring about an Asian Yugoslavia.<sup>25</sup> What, then would it bring about? Would it lure Hanoi away from Moscow? Would a Peking-Hanoi rapprochement soon follow? This would have to be preceded by an accomodation of the Kampuchean issue which could come about only through Heng Samrin's removal and a return of Pol-Pot or a better alternative, Sihanouk.

It is hardly likely that any of these outcomes would emerge. Nonetheless, if such a possibility were indicated by Hanoi it should certainly be welcomed. What is more likely to develop is a Vietnamese consolidation of internal strength and influence in Kampuchea followed quickly by wholesale Cuban style revolutionary exports. This does not suggest that Vietnam will soon invade Thailand. But, as the Vietnamese position in Indochina strengthens (with Soviet support), a significant increase in the insurgency movements of the rest of Southeast Asia can be expected.

Peter Navarro, writing for the New York Times, argues that if Thailand were invaded the United States should come to the aid with airpower out of Clark Air Base. His position is based on the premise that the domino theory is in effect and having engulfed Thailand, Malaysia alone would stand in the way of Vietnamese control over the Malacca Strait.<sup>26</sup> His argument may have some merit, particularly in light of the fact that a Third Indochina War is not necessarily out of the question. PRC lesson teaching

expeditions may provide some deterrent but it may be minimal since all parties recognize that "a second Sino-Vietnamese clash is unlikely to be accompanied by Soviet restraint."<sup>27</sup>

Whether the Vietnamese threat is by way of direct invasion, an unlikely scenario despite Sino-Soviet restraint, or by way of increased support of local insurgencies, nations must recognize, as did Singapore's Defense Minister that:

"There is a widely held misconception about the the nature and appeals of Communism in backward countries...Communist appeals and Communist strength are sometimes believed to be the result of poverty, oppressive domestic governments, or frustrated nationalism. This pays the Communist movement an undeserved compliment...The Communist party in any country has only one purpose- the revolutionary seizure of state power."<sup>28</sup>

If such is the nature of the threat to Southeast Asia-what should the American role be? The U.S. has repeatedly emphasized that it does not seek involvement in internal affairs. Admittedly in a military sense this would be counterproductive. However, what the U.S. does seek from its military posture is the ability to prevent hostile actors from exerting undue and unwanted military pressure on the nations of Southeast Asia. In other words, as Gordon argues, "to prevent one nation hegemony."<sup>29</sup>

The combined armed strength of the five ASEAN nations totals about 693,400 men. Vietnam alone has some 1.029 million.<sup>30</sup> (A complete breakdown of regional military capabilities is provided as Appendix D.)<sup>31</sup> All the ASEAN

nations, even if they could unite under a military alliance, could not stop the one million battle hardened Vietnamese force. Moreover, most of the nations' forces are preoccupied with indigenous insurgencies.

A possible deterrent, if one exists, is in American resolve. That is, a demonstration that the U.S. is determined to maintain its influence in the region. There are several ways this is accomplished. One is through military aid and arms transfers, the other through maintaining a strategic position in the region.

Since the Vietnam invasion of Kampuchea, military aid and arms sales have increased. In 1973, military aid to ASEAN countries totalled US \$87.4 million, and increased to US \$161.8 million by 1977. This figure had declined to US \$106.6 million by 1979, but the 1980 estimates are up to US \$147.2 million. In arms sales, ASEAN countries ordered US \$2,482.3 million for the 1978-1980 period. Thailand had the largest orders worth US \$1,480 million, followed by the R.P. with US \$294.2 million.<sup>32</sup>

However, arms sales alone may not provide the necessary deterrent. A strategic position by way of forward operating bases is an equally vital element. Whether this can be accomplished from staging bases in either the Philippines or Guam will be addressed in a following section which looks at the U.S. bases in the Philippines and how they contribute to American regional influence. The key point

here is to ascertain the need for continued American military presence in the region as a countervailing strategy to Vietnamese or Soviet-sponsored Vietnamese aggression.

Such a military presence signals would be aggressors, at least on a theoretical level, that the U.S. does have certain commitments to the nations of Southeast Asia. The opposite view, tends to indicate a lack of commitment and could easily be misinterpreted as disinterest in the future outcomes of the Southeast Asia theatre. A U.S. Army War College study describes this military aspect: "Withdrawal of U.S. influence and military presence in the Pacific nurtures the concept and perception that U.S. status as a world power is in the early stages of its demise."<sup>33</sup>

### 3. Political/Ideological

The final ingredient in the regional formula of influence is the political/ideological environment and specifically the climate which will be most conducive to the U.S. ability to remain a major influential party in that part of the world.

An earlier point stated that U.S. "interests" with respect to East and Southeast Asia have been, and should continue to be, to prevent any single nation from becoming the sole dominant power in the region. In today's context, it appears that the U.S. has begun a "love affair" with the PRC as a check to Soviet influence. This may indeed offer opportunities to control Soviet expansion but a PRC dominated

political environment could have negative connotations as well. Independent nations in Southeast Asia are adamantly opposed to anyone's meddling into their internal affairs. They are particularly sensitive to any attempt to impose foreign ideologies. The course they wish to follow is their own and there is no reason to suspect that, given the freedom to choose their own destinies, the political environment that develops would be hostile to the United States. Thus, in dealings with China and Southeast Asia, including possibly Vietnam, the U.S. should seek to preserve a political environment whereby independent nations are free to choose their own course.

In "The Sino-Vietnamese Conflict in Recent Historical Perspective," G.D. Loescher argued that "in order to limit the growing power and influence of the U.S.S.R., Chinese policy had to be adapted to enable a tactical accommodation to be made with the U.S.A and Japan."<sup>34</sup> However, it should be noted that this position was adopted within the Maoist framework contained in "On Policy" which clearly stipulates that it is sometimes necessary to ally oneself with a subsidiary enemy in order to "limit the relative power and influence of the main enemy."<sup>35</sup> China may be seeking closer ties with the U.S., but not to the abandonment of her ideology.

Robert Scalapino has provided a very illustrative article in support of an American policy based on selective internationalism. He repudiates the thesis that America is

a Pacific power and not an Asian power because the resultant strategic withdrawal would create imbalances in negotiations with the U.S.S.R. and the PRC. The enclave theory is equally unrealistic because Japan cannot be divorced from Asia. Thus, he points out that the U.S. is left with a policy of selective internationalism.

In looking at the Chinese position with respect to Korea and Taiwan he warns caution in dealing with the PRC since they have as much hope of becoming the dominant power in Southeast Asia as the Soviet Union and/or Vietnam.

What he proposes is:

"An American strategic commitment that is feasible in Asia should revolve around the effort to get a balance within Southeast Asia, with some continued American commitments to Indonesia and the Philippines, a commitment to Japan linked to these efforts, and an intensified negotiatory process with both China and the Soviet Union, with the premium upon reciprocity and accountability."<sup>36</sup>

Scalapino's approach would help to preserve the political order in the region, and this order is at present dependent on a continued American involvement. A recent Asian Wall Street Journal "Roundup" of political stability in Asian countries indicates that with few exceptions most have been able to claim some degree of internal stability. They go on to argue that this is likely to remain intact in the foreseeable future with local power struggles taking place but no major revolutionary change. This prognosis, of course, assumes the fact that the U.S. will maintain its

influence, and the region will remain under some semblance of a balance of power.<sup>37</sup>

Moreover, the recent American election has helped to reassure Southeast Asian leaders that the American influence will remain intact. John Edwards' survey for Far East Economic Review highlights Asian reaction to President Reagan's election showing the unanimity of favorable response. They see: a decline in American human rights harassment; continued arms sales; and aid. They are looking for continued stability and concomitant economic prosperity further enhancing their internal situation as well as the regional balance.<sup>38</sup>

The U.S. must be prepared to take advantage of whatever regional stability exists and wherever possible exploit opportunity. U.S. interest is not to promote Chinese influence, rather it is to seek a favorable balance.

Erwin Canham points out that -"Even the present political floundering inside the United States is viewed sympathetically, since Asians shiver at the concentrated power and purpose of the divided Communist giants."<sup>39</sup> Since then, Vietnam has helped to heighten their fears and the U.S. has the opportunity to insure its continued influence. As Richard Armitage points out:

"In an effort to mobilize national will and stiffen her crumbling morale, Hanoi has engaged in a strident and extremely dangerous campaign to provoke fear of a traditional bete-noire, China. This more than anything else stirs the fears of ASEAN, for they see no escape from the escalating trend of global confrontation, Hanoi-style.

But the threat that Vietnam poses in the region has spurred a new awakening within ASEAN, which can and should be encouraged by the United States ...now Hanoi's bungling has presented us with the perfect opportunity to develop a clear, consistent, and enlightened policy regarding ASEAN...We must become at least as aware as the nations of ASEAN in assessing the limitations of Hanoi and offer to those nations a true friendship based on awareness of their strategic value, their economic potential, cultural development and right to a regional autonomy."<sup>40</sup>

The U.S. is presented with a situation wherein the controversy over Hanoi's intentions and the resultant perplexity of a Sino-Soviet dispute over the region provides the U.S. the luxury of being the only viable balance of power status quo nation. Writing for the Pacific Defense Reporter, Dr. Mediansky states that "US strategic objectives in the Indochina conflict are best served by the type of unstable situation which now prevails." He argues that "An alternative policy, still based on limited US regional involvement would be aimed at balancing China's power in Southeast Asia. Such a policy would be aimed at building a balance between China and Vietnam while attempting to minimize Soviet influence."<sup>41</sup>

Asia today has a political climate dominated by fear of the uncertainty over Hanoi's intentions and the possible emergence of Soviet sponsored Vietnamese hegemony. While this may embody their primary fears, China as the check to the U.S.S.R. is welcomed but not to the extent that their hegemony is any less repulsive. The political spectrum in Southeast Asia, therefore, can make a significant contribution

to U.S. global power. A decline in political influence of the United States in this region could have severe repercussions since it would leave a political power vacuum which one of the two Communist giants would not hesitate to fill.

#### 4. Summary

The undefinability of specific national interests upon which to base foreign policy requires foreign policy to be based on the ability to influence international actors. Through global influence a nation is able to control events such that its interests, whatever these may be, are promoted. Southeast Asia is an area of the world where the elements of national influence have a tremendous impact on the U.S. ability to achieve overall global objectives.

Economically the region is already one of the most lucrative markets available to the United States and shows every sign of continuing its forward momentum in the future. Moreover, it is an area where U.S. relations with Third World countries can serve as an indicator of the future prospects of the North-South debate. The United States has various options available to increase its source of economic influence in the region. Among these are liberalizing trade negotiations, and restructuring tax laws to put the American private sector on an equal basis with third country nationals.

Militarily the region is equally vital, not as a means for U.S. intervention in internal affairs, but rather

as a signal of the strategic importance the U.S. places on the region. This strategic importance is well founded. Turbulence in the Middle East and the Indian Ocean littoral states requires at least some U.S. capability to respond to that region. Moreover, the energy life-line, so crucial to several U.S. trading partners, traverses the Southeast Asia theatre. For at least these two reasons the Indonesian "sea wall" must remain open to safe passage to and from the Middle East and the Indian Ocean.

However, while safe passage is fairly well assured in today's environment, it cannot be guaranteed until such time that Vietnamese regional goals are clarified. Until such time the United States must seek to ensure that individual nations of Southeast Asia are allowed to seek their own political destinies. ASEAN's collective capability is no match for the Vietnamese forces, even if ASEAN were inclined to become a military alliance. The United States can assist them through this tenuous period by providing the necessary military equipment and by maintaining its own military presence in the region.

The political/ideological spectrum in Southeast Asia is in the process of transition. Whether these nations pursue democratic ideals or authoritarian regimes is best left up to them. The U.S. role in this transition is not to meddle in their internal affairs, but rather to be able to identify with whatever political ideology each nation seeks.

In the case of Vietnam and Kampuchea the same relationship holds true. It may be too late to provide Kampuchea a choice as to its political evolution, but failure to negotiate with the Vietnamese concerning its future intentions after the "fait accompli" can only lead to further discord. The U.S. had the opportunity to negotiate with Ho Chi-Minh in 1954, but chose an alternative which led to the fall of Saigon. Today a parallel situation may exist with regard to Thailand.

Failure to negotiate may lead to either another "fait accompli," or another difficult choice as to whether the U.S. will become involved in a "Third Indochina War." The political climate can best serve U.S. needs by a maintenance of a balance of power in Southeast Asia. This balance can be promoted by opening up dialogue with any faction, as long as that faction is willing to recognize individual nation sovereignty.

U.S. influence in Southeast Asia can be enhanced or diminished by any one of these variables or by all three interacting simultaneously. Whether the result is positive or negative, it will have significant implications for U.S. influence not only in the region but throughout various other parts of the world. The U.S. must, therefore, attempt to promote its regional influence, or at least insure that it is not diminished. To this end U.S. relations with the individual nations of Southeast Asia should seek to promote regional influence along the three dimensions to the maximum

extent possible. There are a host of individual sovereign nations within the spectrum of influence encompassed in the above discussion, and U.S. relations with each affects U.S. regional influence in varying ways.

The Republic of the Philippines is no exception. Indeed the fact that U.S. military installations already exist on the islands makes that nation's relationship with the U.S. a key focal point in U.S. regional influence. Therefore, as the study progresses toward U.S. foreign policy in the Philippines the next logical focus is an analysis of how the U.S. relationship with the Philippines contributes to regional influence.

#### B. THE PHILIPPINE ROLE IN U.S. REGIONAL INFLUENCE

At this juncture one distinction must be made perfectly clear. That is, this discussion is concerned with U.S./Philippine relations as that relationship projects out into the regional environment. No attempt is made to suggest, for example, that because the Philippine economy might offer little by way of its contribution to U.S. regional influence that their internal economic future is not important. This internal rubric will be examined in a forthcoming chapter, but only after the Philippine contribution to regional influence has been assessed. The attempt here is only to analyze the U.S./Philippine relationship to determine whether or not it contributes to U.S. regional influence, and if so, to determine what elements make up this contribution.

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### 1. Economic

The U.S. economic relationship with the Philippines is not negligible but neither is it tremendously significant. For the Philippines, U.S. trade is absolutely vital but this trade represents only a small percentage of total U.S. World or even regional trade. To the extent that two way trade with the Philippines contributes to U.S. regional or world economic strength this aspect warrants only cursory condition.

As of 1977 U.S. Direct Investment in the Philippines comprised .61 percent of the total U.S. global investment, 2.7 percent of the total direct U.S. investment in developing countries, and 14.6 percent of total U.S. direct investment in Asian developing countries. The 1978 trade with the island Archipelago consisted of US \$1009 million in exports to the islands, and US \$1206.8 million in imports from the same.<sup>42</sup> For the period 1971-1976 Philippine trade with the U.S. consistently hovered around .8 percent of our total global trade statistics.<sup>43</sup> That year the United States shipped to the Philippines \$1.570 million in exports compared to a total export figure of \$181,798 million, or .8 percent. Imports accounted for .7 percent. The U.S. purchased \$1,648 million from the Philippines out of a total shopping list worth \$218,925 million.<sup>44</sup> Moreover, the composition of the purchases reflects the non-strategic nature of this trade as a vital resource to the United States.

Philippine exports are almost totally primary products such as sugar, coconut products, copper, and wood.<sup>45</sup> These commodities can easily be acquired from other sources and as such do not represent a significant boost to American regional or global influence.

However, the Philippine economy relies very heavily on two way trade with the U.S. A large portion of their exports go to the United States, and a significant percentage of imports are brought in from the same. For the period 1971-1976, Philippine exports to the U. S. comprised 40.4, 40.4, 35.8, 42.5, 28.9, and 35.9 percent of their total world exports. Their purchases from the United States comprised 24.6, 25.4 28.2, 23.3, 21.8, and 22.2 percent of their overall import bill.<sup>46</sup>

The U.S./Philippine economic relationship is doubly peculiar phenomenon. On the one hand the relationship contributes only minimally to U.S. regional influence in a positive sense, since it comprises only a small percentage of the total U.S. trade or investment picture in the region or even in the Third World. On the other hand, the relationship is crucial to Philippine economic prosperity. While this does not contribute directly to U.S. influence in the economic sector, it does serve as an indicator to the rest of the Third World of what happens to those who deal with the U.S.

In this sense U.S./Philippine economic relations, although not terribly "vital," are at least a major concern. However, the internal economic situation is the subject of a later section. The main point here is to emphasize that the economic importance is not necessarily by way of direct profit to the U.S. but rather by way of the implied message which the relationship sends to other developing nations.

## 2. Military

The military contribution of the Philippine bases to U.S. regional and global power cannot be overemphasized. First, it is doubtful that the mission could be accomplished from any other location; and second, if it could the costs might be prohibitive.

General Graham points out the costs of moving to, for example, the Marianas. First, it is doubtful that the land could be obtained. To cite just one example, there is a 44,000 acre weapons range in the Philippines which could not be duplicated. This range provides training facilities for Navy pilots when their ships come in for extensive repair. Labor problems are also relevant. Skilled labor would have to be imported from Japan, the Philippines or the United States and wages would have to be significantly higher. Construction costs would run over \$2 billion dollars to duplicate the facilities and support costs would come to an additional \$350 million annually since time for fuel delivery from the Persian Gulf would be increased by 10 days round trip.

The additional ships and aircraft required to maintain the same level of military capability from the further removed bases would cost at least \$4 billion. Finally, there would be a 5 year delay in accomplishing the move. This period would create a serious gap in capability, a gap which other nations might be inclined to take advantage of.<sup>47</sup>

But, even if the facilities could be moved to Guam or some other location, the added distance would (assuming distance would increase) have a severe effect on the U.S. response time to the Indian Ocean. Indeed the mission might not be able to be accomplished at all. When asked how many aircraft carriers it would take to accomplish the same mission as is accomplished by Subic Bay Naval Base, Mr. Holbrooke advised the Congress that the additional carriers could not accomplish the task. General Graham supported Holbrooke's statement, presenting the facts that the American naval presence in the Persian Gulf during the recent crisis could not be supported by any alternative means other than the Philippine repair facilities.<sup>48</sup>

He then summarized the global and regional purpose of the Philippine military installations. This summary clearly indicates the role that these bases play in contributing to U.S. regional and global capability.

"1-they are an integral part of our deterrent system that signals to potential foes our resolve to meet our commitments. They contribute to the psychological confidence of our allies."

2-our bases support, at greatly reduced cost, the US capabilities in crises and contingencies, not only throughout the Pacific region but also in the Indian Ocean and the Middle East up to the East Coast of Africa.

3-they provide the capability to protect air and sea lines of communication important to US particularly regional allies...

4-the bases are a viable manifestation of US power in an area of obvious interest to the Soviet Union and China. The capabilities they permit impose certain defense considerations on potential adversaries."<sup>49</sup>

### 3. Political/Ideological

Clearly, U.S./Philippine relations contribute most significantly to U.S. influence in Southeast Asia by way of the military installations. However, the political context within which these base are maintained will have an equally significant impact on U.S. regional influence. Neighboring states will watch closely the success or failure of the Philippine "experiment" in Asian democracy. The evolution of the Philippine political environment will signal these nations as to the value of their political/ideological affiliation with the "free" world and specifically with the United States.

In its current form, Philippine political dynamism is best seen as a holding action. For a number of reasons, many of which are prevalent in neighboring states as well, Philippine democracy has been postponed. Facing a situation where crime had run rampant, President Marcos suspended the writ of habeas corpus in September of 1972, and maintained a state of martial law until January 17, 1981. As a means of

restoring peace, order, and respect for the law, martial law did not necessarily impede the legitimacy of democratic institutions but its continuation soon gave martial law the appearance of a system designed to perpetuate the dynasty.

Thus, the question of succession will be a key indicator as to whether democratic instrumentalities will succeed or fail in the Philippines. Perhaps the Asian form of democracy is to be by way of the South Korean model. Such a model in the Philippines would serve as another example, one much closer to home, of the nature of democratic processes in Southeast Asian nations.

While democratic institutions were firmly in place in the Philippines, most were held in abeyance throughout the period of martial law. Moreover, restoring the writ does not necessarily guarantee restoration of full democracy. President Marcos has retained full emergency power including the right of preventive arrest orders. National elections and legislative plebiscites are still firmly within his ability to control, should he decide to determine their results.

Thus, whether President Marcos chooses to lead his nation toward a restoration of full democratic processes or whether he chooses to perpetuate his reign, this choice can determine the future political course of the Philippines and connote the utility or irrelevance of democratic forms for Southeast Asia. Restoration of democratic processes in the

Philippines can signal success for free world political ideology. However, the latter course may lead to political upheaval, continued growth of the oppositionist movements, and an escalation of popular support for the most radical elements of the left. This may lead to either mass insurrection or a South Korean style coup, either of which signal something less than complete success of American democratic ideology in Asia.

If the U.S. is prepared to recognize a Philippine Chon Doo Hwan, then we must be prepared to reconcile American public opinion to this style of Asian democracy. Having recognized the legitimacy of how President Chon, perhaps this tells us that such is the only shape that Asian democracy can take. However, where other alternatives are available they should be encouraged, for the further the political forum moves from the ideal democracy in the Philippines, the further it will be alienated in Southeast Asia. In the long run, this may say something about the shape of our own evolution in the democratic context.

In the Philippines, United States strategy has been nearly impeccable with respect to martial law and the political dimension. While pursuant to his election, Marcos is recognized as the "official" leader (the meaning Philippine free elections notwithstanding), the American cold shoulder since the imposition of martial law implies something less than full support for his tactics. Thus, in its current context,

the political forum in the Philippines has something of a neutral effect on U.S. regional influence. Southeast Asian nations recognize that the United States is involved in a dichotomous relationship. We must maintain diplomatic relations, and "pay" Marcos for the bases thereby helping him to stay in power. But, denying full diplomatic niceties, and conversations with U.S. based opposition leaders, signals U.S. desires for a restoration of democratic processes.

Therefore, although maintenance of the military installations is the overriding objective, the United States must recognize that the transition from Marcos to some other cadre will have either negative or positive implications for U.S. political/ideological influence in Southeast Asia. Maintaining the bases by backing an unpopular, repressive regime that has lost its mandate risks alienating not only the Philippine masses but also those elements in neighboring states and in the Third World that still cling to democratic ideals despite its somewhat prostituted form.

To the extent that resolution of the succession question in the Philippines speaks of the relevancy of American ideology in Southeast Asia this factor impacts significantly on U.S. regional influence in the political dimension. If the shape of Southeast Asian democracy is by way of successive military coups then the United States must be prepared to reconcile this phenomenon with domestic public opinion.

However, where there are alternatives available which provide a better means of maintaining some measure of U.S. political influence in the region, these should be encouraged.

The forthcoming analysis of the Philippine internal situation will suggest that alternatives are available and that indeed these alternatives provide not only the best but the only means of insuring continued U.S. influence in Southeast Asia. For now it suffices to say that the method the Philippines selects for handing over the reigns of government when Marcos leaves the scene will be at least one of the factors that will indicate to the nations of Southeast Asia the success or the futility of American style political ideology in the region.

#### C. SUMMARY

This chapter is the first part of the attempt to apply the influence model to U.S. policy objectives in the Philippines. The model suggests that all interests are dependent and that therefore, they should be considered instrumental goals. That is, their value should be measured in terms of how they help to achieve the next instrumental goal or "dependent interest." However, due to the nature of the international system instrumental goals are achieved only when a nation has the wherewithal to "influence" international actors.

Therefore, rather than move directly into an analysis of U.S./Philippine relations, the study has attempted first

to justify the need for continued American influence in Southeast Asia. Having clearly assessed this need the study could then progress into an analysis of how the Philippines contributes to this regional influence.

Southeast Asia is a key link to U.S. global influence. Its economic potential is already pervasive and will continue to grow. Militarily, the region cannot be forsaken for it encompasses a major gateway to the Indian Ocean and the Middle East. Moreover, sea lines of energy communication are vital to free world economic prosperity. The region's political evolution is vital not only in terms of its military and economic corollaries, but also in terms of the signal it will provide to the non-aligned movement of developing nations.

If Southeast Asia is a major link to U.S. global influence, the Philippines plays an equally vital role in terms of its contribution to U.S. regional influence. U.S. relations with the Philippines contribute directly to U.S. regional influence by way of the military installations, but the economic and political/ideological dimensions have an impact as well. Economically, the Philippine contribution to U.S. regional strength is minimal. This factor has only an "artificial" impact in the sense that economic prosperity for the Philippines signals success for economic interaction with the free world as opposed to non-capitalistic economies. The political dimension has an equally "artificial" flavor in the sense

that it signals success or failure of democratic ideology for Southeast Asia.

Militarily, however, the Philippine contribution is direct and tangible. They offer the means of projecting a forward defense strategy, protecting the Indonesian "sea wall," and signalling American determination to abide at least by the Nixon Doctrine. Moreover, the costs of carrying out these mission from alternative cites would be almost prohibitive, and could be perceived as a lack of such determination.

What has emerged from this discussion is a realization that U.S. policy objectives with respect to the Philippines must be couched in terms of maintaining some measure of U.S. influence in Southeast Asia. The U.S. must seek to maintain its military installations in the Philippines, but must do so within the context of a favorable solution to the islands' internal problems both political and economic.

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<sup>3</sup>"East Asia Study Mission January 5-14, 1980" Report Prepared for the Use of the Joint Economic Committee Congress of the United States; 90th Congress, 2nd Session, (U.S. Government Printing Office: Washington, D.C., June 26, 1980) p. 17

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<sup>5</sup>Ibid. p. 2

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## V. U.S. POLICY OBJECTIVES IN THE PHILIPPINES

U.S. ability to influence world events is a vital element in the ability to achieve national interests. Moreover, U.S. influence in Southeast Asia is vital to global influence, and the Philippines plays a crucial role in contributing to U.S. influence in Southeast Asia. Our military installations on the islands serve as a springboard to the Indian Ocean; protect vital sea lines of communication; and signal would be aggressors of U.S. resolve in maintaining a balance of power in Southeast Asia by preserving our own level of influence in the region. Moreover, the political/ideological evolution of the Philippines as a republican form of government will signal neighboring states, and the Third World in general, as to the prospects of following the "free" world's political models.

Therefore, because the U.S. must maintain some level of influence in Southeast Asia, and because our relationship with the Philippines can significantly promote as well as diminish our regional influence, the U.S. must establish policy objectives for this relationship such that it will avoid the latter and guarantee the former. At this point the study can focus specifically on the Philippines since the broader goals of regional influence and the Philippine role in its external environment have already been delineated.

Given the validity of the conclusions drawn in the preceding section, U.S. policy objectives should seek to preserve our continued use of the military installations while doing so within a political/ideological climate which is conducive to peaceful, cooperative negotiation. This is what the U.S. seeks to acquire from its relationship with the Philippines. Why the U.S. seeks this outcome was established as a corollary of regional influence. This section will now address how this outcome is achieved within the Philippine context.

#### A. THE DOMESTIC ENVIRONMENT AND U.S. POLICY OBJECTIVES

The focus here must now shift to the internal environment to examine the economic, military, and political/ideological situation prevalent in the Philippines. This analysis will seek to determine the prospects for the future of the Philippines along these dimensions and to recommend, from among the alternatives available to the U.S., those policy objectives which will best achieve the broader goal.

##### 1. Economic

The Philippine economy can be analyzed from various perspectives. The rate of growth of GNP is not particularly slow, balance of payments deficits tend to vary along with the trends set throughout the rest of the world, and some progress is being made in attracting capital investment. However, if

the U.S. objective is to maintain its military installations and to promote political stability, then some measure of reform in the distribution of income is essential. For a major percentage of the population the standard of living is rapidly falling below minimum subsistence. As long as this trend continues there is little hope of political tranquility. Therefore, U.S. objectives with respect to the Philippine economy must seek not only to bring a net profit to U.S. investors but also to encourage internal reforms which will improve the living conditions of the Philippine lower classes.

A vital element of this review is the trend set by the Laurel-Langley Agreement. This revision of the U.S.-Philippine Trade Act (The Bell Act), "stipulated the manner in which free trade between the two countries would gradually end. The Laurel-Langley Agreement raised the Philippine tariff level and accelerated the pace at which imports from the United States would be subject to the full Philippine tariff rate."<sup>1</sup>

Despite the attempts of the Bell Act initially to establish a period of free trade between the two countries, the trend toward protectionism began early. By 1965 nominal protection rates for import competing manufactures averaged 30 percent, while the effective protection rate averaged 59 percent.<sup>2</sup> The result has been to: 1) provide a larger share of the market to local producers; 2) decrease overall supply;

3) reduce consumer income; and 4) reduce exports, characteristically a labor intensive sector.

Exchange controls have also served to protect domestic industry. Unfortunately, this protection has the same result as tariff barriers and import quotas. They lead to a decline in consumer purchasing power. In 1970 the Export Incentives Act attempted to improve the situation of the export industry but to little avail. Decontrolling the peso was also ineffective; "decontrol measures were coupled with tariff increases, favorable credit terms to certain industries, and tax exemptions. The discriminatory sales tax and the highly protectionist tariff system...did much to continue the sheltering of domestic industry from foreign competition."<sup>3</sup>

Equally significant to the Philippine economy is the sudden increase in oil prices. Since the Philippines is almost totally dependent on Middle East oil, the price hike has added nearly \$1 billion a year to their import costs.<sup>4</sup> Whatever gains the country is able to make in trying to improve their balance of payments, they are offset by the massive energy bills. However, it has been their own infrastructure which, while not actively discouraging energy research, provided no inducement to exploit leases. While the Philippines was sitting on 900 million tons of coal and large oil reserves, the lack of promotion and production capability now forces them to pay OPEC's prices for their energy.<sup>5</sup>

Balance of payments sunk into the red for the first three quarters of 1979. Primarily as a result of energy payments the trade deficit reached \$1.257 billion. This deficit was offset somewhat by non-trade transactions but the overall account remained in the red by \$561 million by the end of September 1979.<sup>6</sup>

These figures are difficult to interpret into a specific statement as to the overall position of the Philippine economy in the long haul. The shifts from apparent strength to obvious weakness in the balance of payments do not in themselves provide the most valid indicators of the nation's welfare. Perhaps a better clue as to the overall welfare of Filipino's is found in the distribution of income.

Clark Neher illustrates this point in "The Philippines 1979: Cracks in the Fortress." The national income share of the poorest 40 percent of the people was 11.2 percent in 1979. The top 20 percent had a national income share of 55.5 percent. And the top 5 percent of the population earned 32 percent of the wealth.<sup>7</sup> This uneven distribution of income is even more catastrophic when we consider what it has done to those lower groups in terms of malnutrition and unemployment.

"The Asian Development Bank recently reported that the Philippines was the worst fed nation in Asia, with lower average daily caloric consumption rates than Indonesia, Bangladesh, and India... According to the semi-official Food and Nutrition Research Institute of the Philippines, 40% of

all deaths (and more than half of all child deaths) are caused by malnutrition. The Minister of Health reports that 85% of all school children now suffer protein and calory deficiencies."<sup>8</sup>

These factors helped to instigate domestic unrest. As long as unemployment, poverty and malnutrition persist, there can be little hope for domestic stability in government. Many Filipinos are seeking ways to improve their situation. With no alternative in sight they begin to turn to some sort of opposition against the Marcos government which has been ineffectual in bringing about any improvement for the poorest segment of the population.

The Filipino is not attracted to communism, but with little else to turn to, many have joined the ranks of the New People's Army (NPA), a Maoist oriented insurgency movement.<sup>9</sup> The recent wave of Manila bombings indicate the growing opposition to Marcos' martial law government. The Muslim secessionist movement in Mindanao provides further worry. These various factions continue to gain strength and test the capabilities of the AFP (Armed Forces of the Philippines). FEER's Asia 1980 Yearbook reports that:

"What concerns the government more is how to stamp out the Muslim secessionist movement led by the Moro National Liberation Front (MNLF), and to hold in check the expansion of the NPA in sensitive areas of the country. The MNLF is estimated to have some 30,000 rebels under arms, while the NPA has 2,000-3,000 fighters. The military assessment is that the MNLF has linked up with the NPA, and the abatement in the MNLF military activities is the lull before the storm."<sup>10</sup>

Marcos is attempting to alleviate the economic difficulties in order to pacify unrest. His "big headache is the Philippine economy and dealing with the social upheavals it spawned or exacerbated."<sup>11</sup> He has recently been trying to follow the South Korean and Taiwanese models by liberalizing trade with the hope of boosting the export sector. However, a vital element of his traditional support is rooted in domestic influentials who have a significant stake in import substitution industry. Removing protectionist measures and government subsidies has turned this sector against him as well. A recent Asian Wall Street Journal article based on a World Development Bank document describes "businessmen turned bombers." They claim that: "Recent terrorist bombings in Manila have been attributed to elements of the local business sector; the apparent aim is to provoke enough disruption to force Marcos into holding free elections."<sup>12</sup>

Marcos is caught in a perplexing dilemma. He faces opposition from both sides; popular unrest as a corollary of the plight of the poor, and loss of credibility among former staunch supporters in the elite. The result is that President Marcos is severely limited in the measures he can realistically take to bring economic relief to his country. Although the methods he is now adopting may in fact be the best approach toward improving the economy, elite intransigence will prevent these measures from having the necessary effect soon enough to restore legitimacy to the Marcos government.

Therefore, it would appear that while President Marcos' approach to solving the economic woes is at least as good as the opposition's, if indeed they have any plans at all, he will not be given the necessary time to realize the benefits. Not only does he face a real threat to his rule, but his health is in question as well. The United States should realize these two aspects in the economic dimension of its relationship with the Philippines. First, we should encourage the liberalization of trade and offer whatever assistance is necessary to bolster the export sector thereby reducing the levels of unemployment. Second, we should recognize that President Marcos has been ineffectual for too long a period of time, making it almost impossible for him to implement the needed changes in time to regain legitimacy. We should be prepared to identify ourselves with those elements of the opposition which are not only truly dedicated to bringing about the necessary economic reforms, but are also capable of claiming the necessary legitimacy.

## 2. Military

The U.S. objective of maintaining its military installations in the Philippines must consider the domestic military situation so as to determine the dangers, the opportunities, and the policies which provide the best means of achieving our objectives. This study, must therefore, examine the nature of indigenous insurgencies to determine the threat to the Philippine government and its impact,

if any, on U.S. objectives. The role of the American bases must also be examined not only in terms of the internal threat but also as a corollary of Philippine security against external aggression.

The Philippines currently faces two separate indigenous insurgencies. The first is by way of the New People's Army (NPA) which is the military arm of the Communist Party of the Philippines (PKP). The other, concentrated in the South, is the Moro National Liberation Front (MNLF) a separatist Islamic movement in Mindanao.

The NPA hopes to overthrow the government and enjoys a wider base of support than the Muslim movement in the South. As the economy continues to decline the NPA is increasingly successful in recruiting manpower. Marcos estimates NPA strength at about 2,000 guerillas; 5,000 combat support troops; and 50,000 loosely organized partisans. The NPA itself claims to have 20,000 regulars; 100,000 combat support troops; and a civilian "mass base" of between 150,000 and 500,000.<sup>13</sup> These estimates are quite misleading and they vary in two separate ways. First, they vary according to who is making the estimate. Second, peasant support naturally varies directly with whoever happens to be there at the time carrying the biggest gun.

The MNLF's goal is total autonomy. Mindanao's population is primarily Muslim while 95 percent of the Philippines is predominantly Catholic. The southern

insurgency makes no claims to overthrow the Manila government but they are tired of the discriminatory effects of their minority status. They, therefore, fight for a complete break with Manila. They field about 8,000 armed regulars, 20,000 to 30,000 active supporters, and have a mass base of sympathizers as high as 400,000 according to government figures.<sup>14</sup>

Neither of these indigenous guerilla movements pose any immediate threat to the U.S. ability to maintain its military installations. The Muslims have no aspirations in the North and the NPA is not presently strong enough to mass any kind of sustained military struggle against the AFP which is over 100,000 strong. The greatest danger, therefore, lies in the NPA's ability to attract popular support thereby gaining the strength to pose a viable threat to the AFP.

Of the indigenous insurgencies, only the NPA would have to cast the U.S. out of its military strongholds. They openly profess anti-American military bases ideology and should they come to power it would be impossible for them to negotiate terms with the U.S. that would perpetuate old agreements. But this danger is minimal and the United States need not get involved in any military operations within the Philippines. First, the AFP is more than capable of suppressing the NPA in its current strength; and second, NPA strength is not likely to grow unless economic decline leaves the masses no other alternatives.

Thus, the indigenous threat to the Philippines and consequently to U.S. objectives is not necessarily military. The military threat may, in the future, escalate but not because Filipinos are anti-American. Rather, it may evolve because social upheaval stemming from economic depravity may align itself with the PKP just as the remnants of the Philippine Army joined hands with the Hukbalahaps after the Japanese victory. In any event the United States should not become involved with the internal struggle. The primary objective for the U.S., just as it is for the Philippine government, is to improve the economic condition thereby depriving the radical element its popular support.

A recent Defense Marketing Survey "Intelligence Report" describes the nature of the indigenous threat to the Philippines.

"While the major threat to the security of the Philippines is internal, it is not necessarily from either the Moro National Liberation Front insurgency in the South or the more widespread but lower keyed New People's Army campaign. Rather, the government fears local social disorders caused by an inflation rate that halved the buying power of the peso in the six years (now eight years) of martial law, chronic poverty--which some observers have cited as the most serious threat to President Marcos' reign, and the gradual erosion of Marcos' political support."<sup>15</sup>

At a higher level of military analysis the United States not only faces little danger to its objectives but actually enjoys a strong position. The AFP is in no way capable of providing for the security of the Philippines against external aggression. Although there has been some

rhetoric by President Marcos concerning a self defense posture for the Philippines the consensus is that the islands must depend on U.S. protection for national security. This role is more than adequately fulfilled by the 5,000 American servicemen at Subic and 10,000 at Clark. These forces are stationed in the Philippines as a result of basically three formal agreements dating back to the 1947 Military Bases Agreement, just recently revised; the Mutual Defense Treaty of 1951; and the Mutual Defense Agreement of 1953. These agreements address how each nation will react to external aggression.<sup>16</sup> While the only guarantee is that the United States will act in accordance with its constitutional processes, the military presence provides a clearly discernible clue as to the importance the U.S. places on its relationship with the Philippines.

Therefore, as long as these forces are stationed on the islands, the Philippines can be fairly well assured that no conventional attack will be launched against it. The only dichotomy would stem from an attack not against the Philippines *per se*, but against the U.S. and consequently its bases. This presents a military problem, but not nearly as much for the U.S. as for the Philippines. Although there is some concern that the bases will act as a magnet to draw a Soviet preemptive strike against the U.S., the Philippines can hardly afford to expell the U.S. for fear of such a strike. First, this would leave the islands virtually unprotected against

conventional attack. Second, without the "rental" fees paid by the United States, the AFP would be hard pressed to sustain its military operational capability against the indigenous threat. Finally, the loss to the economy would be nearly catastrophic. The bases employ more than 40,000 Filipinos, they pump an estimated \$200 million into the economy, and with the multiplier effect account for nearly 5 percent of Philippine GNP.<sup>17</sup>

The U.S. objective of maintaining its military bases within a congenial political climate is not threatened militarily, at least not in the short run. The indigenous insurgency can be militarily pacified and, therefore, poses little or no threat to the U.S. However, while the "force" aspect of counterinsurgency can be fairly well implemented, the "persuasion" aspect warrants careful consideration. Against the Philippine Insurrection the United States success came only through tactics designed to remove the basis of popular support for the insurgents and to develop an atmosphere in which Filipinos became willing to accept American rule. Ramon Magsaysay again used the "force and persuasion" formula to defeat the Huks and erode their mass support.

Unlike Thailand or South Korea where the primary threat is by way of the enemy's military capability, the main enemy in the Philippines is disassimilation of the masses as a result of economic depravity and disillusionment with

governmental functions. Although the most radical elements of the leftist opposition such as the NPA are not sufficiently strong right now, they are likely to gain in strength as the masses approach complete disassimilation with democratic instrumentalities for social mobilization. While Filipinos have not yet reached such levels of disaffection the time may be rapidly approaching when the transition will be inevitable-when the masses lose all hope of peaceful democratic solutions to their problems and turn to violence.

The U.S. military objective is, therefore, not military at all. Rather, it involves the persuasion side of a counter-insurgency effort. It is actually political, for having reached a point where the primary threat has become military, disillusionment with democratic institutions will already be ingrained and military operations cannot prevail. At such a point U.S. interference of any kind will be dysfunctional.

Direct military intervention would further alienate the masses and would, therefore, be totally out of the question. But, even more subtle forms of involvement would then turn against us. The U.S. is now pledged to make the best possible Presidential effort to secure from Congress \$500 million for the Philippines over the next five years. Such military assistance and FMS credits are today seen as support for the Marcos government. Should the masses turn to armed

rebellion, U.S. objectives would be nearly impossible to achieve regardless of which course we followed. Continued aid would signal support for the Manila government further alienating the wave of the future; while withdrawing this aid would exacerbate relations with the government in power.

Thus, U.S. policy objectives in the Philippines with respect to the military dimension are actually to prevent the military dimension from becoming the prime element of social mobilization. The economic objectives to achieve this goal have already been delineated. One key factor in that discussion was that President Marcos had neither the time nor the wherewithal to act as the political helmsman of this economic transition. In order to clarify this allegation as well as to determine the choices available to the U.S. in the Philippine political/ideological context, the study must now turn to an examination of this political/ideological rubric.

### 3. Political/Ideological

This final and perhaps most crucial dimension is not readily adaptable to analysis divorced from the consideration of other intervening variables. Unlike the economic and military variables which tend to lend themselves somewhat more readily to separate analysis, the political/ideological dimension tends to include elements of all human endeavor from nuclear proliferation to Ping-Pong Diplomacy. It is, therefore, worthwhile to briefly review what has thus far been posited before proceeding.

In applying the model laid out in Part one, Chapter Four attempted to justify why the United States should be concerned with maintaining its influence in Southeast Asia. Section B of that chapter suggested that U.S. influence in that region is greatly enhanced by the military bases in the Philippines. As a corollary, the economic and political context within which the U.S. maintains its presence in the Philippines will affect U.S. regional influence as well. The net result suggests that the U.S. overall goal with respect to the Philippines involves maintaining its military presence while working toward economic prosperity and political stability for the Philippines. This chapter attempts to prescribe what the U.S. should strive for within the Philippines so as to achieve this overall goal.

The economic and military objectives have thus far been delineated. In each case the analysis attempted to focus specifically on the dimension being discussed, but only to the extent possible. Certainly the economic situation affects the "persuasion" side of the counter-insurgency effort; and conversely, the higher the military danger the more difficult it becomes to improve the economy. In this same sense the political/ideological dimension reinforces, and is reinforced by, the economic and military variables.

However, in order to facilitate clarification of this final dimension it will be necessary to accept the objectives

for the two latter dimensions while recognizing that they do have an impact on the political/ideological environment. This will enable the study to proceed directly towards an examination of this final variable to: analyze the political/ideological environment; indulge in "crystal ball gazing" to predict the future of this environment; and, suggest U.S. political objectives which will insure the achievement of the overall goal described above.

a. The Environment

What is the Filipino mind set? Does the perception of the Filipino as our "little brown brother" accurately describe his sensitivities? Robert Shaplen describes what may be an all to common and perhaps ill conceived notion of the Filipino as an odd mixture of hedonism and cynicism. He states that:

"much of this attitude of acceptance is due to the passivity of Filipinos which may be partly the result of their almost benign Catholicism- they are the only predominantly Catholic nation in Asia- and their religious beliefs and motivations are, in this sense, not unlike some of the fatalistic attributes of Islamic faith."<sup>18</sup>

However, having witnessed several Filipino political debates, this writer finds it difficult to accept "passivity" as an accurate descriptor of Filipino motivation or lack thereof. Moreover, Philippine historiography in no way supports such a view. Where Filipinos have come to "accept", it has not been passivity but rather pragmatism.

This writer sees the Filipino as a spirited soul who loves life and cherishes liberty while recognizing that some things are not within his immediate ability to attain. Passivity could hardly account for the Huk Rebellion; the over one million battle casualties sustained through the Japanese Interregnum; or the Philippine Revolution (referred to as the Spanish-American War in American literature). Nor is Filipino assertiveness merely a 20th century phenomenon. Not only does it date back to Jose Rizal and the "ilustrados" in the mid to late 19th century, but it can be traced back to 1521 when Chief Lapu-Lapu and his men slew Ferdinand Magellan and rejected his fleet back to Spain.

When the Spanish returned, local "barangays" were overwhelmed by military superiority. The lack of a nation state organization to offer resistance soon led to Spanish dominion. While nationalism may not have existed, for there had not been a "nation" called the Philippines, the Filipino love for liberty had always been present. Spanish infrastructure brought "national" identity and "ilustrados" such as Jose Rizal, Marcelo del Pilar, and Graciano Lopez Jaena crystallized Filipino nationalism and the thirst for independence.

What emerged near the turn of the 19th century was unfortunate for Philippine nationhood. Andres Bonifacio had begun the revolution but was a poor general soon replaced and killed by Emilio Aguinaldo and his followers. With victory

within Aguinaldo's reach the Americans intervened usurping Philippine independence. Aguinaldo's forces soon turned against the former ally but the Philippine Insurrection (once again American terminology, for Filipinos it was the Philippine-American War) was soon defeated through force and persuasion. After 37 years of American colonization the Philippine Commonwealth was instituted in 1935 with independence scheduled for July 4, 1946.

Japan entered the scene in December of 1941. Having capitulated to superior Japanese forces nationalistic Filipinos took up the fight as guerillas. Up in the hills, the illegitimate Philippine Communist Party (PKP) established in 1931 and outlawed by the Philippine Supreme Court in October of that same year, provided organization under the National Anti-Japanese United Front (the Hukbo ng Bayan sa Hapon commonly called the Hukbalahaps or Huks).<sup>19</sup> The Huks then gained a measure of public support and political significance.

The Japanese were expelled and Philippine independence came as scheduled. The PKP was again outlawed and only Defense Minister Ramon Magsaysay (later to be President Magsaysay) was able to defeat the Huk Rebellion through effective implementation of his "force and persuasion" program.

This background is in no way indicative of Philippine susceptibility or acclamation to subjugation.

It implies only that, from a historical perspective, the Philippines has consistently faced superior strength.

Philippine resistance to foreign domination or domestic repression connotes zealous participation in political ideology. The domestic political forum tends to support such a view.

From its conception Philippine politics has been marked by one term presidents, party switching, ballot stuffing, graft and corruption. Manuel Roxas came to the Presidency as a Liberal in 1946. He died in 1948 and Vice-President Elpidio Quirino replaced him to be elected to his own term in 1948. His Defense Minister, Ramon Magsaysay, switched parties to defeat Quirino in 1953 as a Nacionalista. Magsaysay died in 1957 and was replaced by Carlos Garcia who was then elected in that same year's Presidential race. The 1957 election resulted in a split party Executive Branch. Diosdado Macapagal was elected as the Liberal Vice-President and subsequently won the 1961 Presidential election. Macapagal had promised to step aside in 1965 allowing Ferdinand Marcos to head the Liberal ticket. When this did not materialize Marcos jumped over to the Nacionalistas to defeat Macapagal for the Presidency.

These elections were all characterized by the incumbent opening up the government purse in an attempt to "buy" re-election, and using the Constabulary to "persuade"

voters. The challenger could generally win by pointing to the corrupt practices and repressive institutions of the incumbent. Again these characteristics do not imply Filipino indifference to political/ideological structures. They merely imply that Philippine political dynamism differs from the "ideal" democratic model, but they are ardently devoted to it and the system has served them relatively well until the Marcos coup of 1972.

The Area Handbook for the Philippines, prepared by the Foreign Studies of the American University best describes the Philippine system of political expression.

"Personal loyalties were translated into the political process through what Carl H. Lande calls "vertical chains of dyadic patron-client relationships" extending from the provincial elite down to lesser figures in the towns and barrios (smallest administrative divisions, renamed barangays in 1974) and thence to the voters. It was this informal system of mutual-aid relationships, not the formal organization of party committees, that constituted the real backbone of individualistic partisan politics in the Philippines. It was through this informal mechanism that local factions or personal followings articulated their interests directly to their patrons parading under the banners of various parties.

The dyadic ties served as a fairly accessible means for the expression of grass-roots aspirations and needs. As such they were an indispensable part of the country's politics. In a society like the Philippines where the free-for-all, laissez-faire pattern of partisan competition could easily fractionate the political scene and engender destabilizing pressures, the dyadic relationships performed integrative and what might be called safety-valve functions. By and large this indigenous pattern helped successive governments maintain an open and stable society that was otherwise marked by great social and economic inequalities.

The dyadic pattern was in effect a form of voluntary contract between patrons and clients. Success or failure was essentially a personal affair. When patrons failed to honor their electoral promises for one reason or another, the voters or their middlemen could always switch their

allegiance and find new accommodations. Political parties with which they were associated were not necessarily blamed, and in any case the voters were fully aware that they were supporting party politicians as individuals and not the parties."<sup>20</sup>

In 1972 President Marcos ascended to his self-made throne. Having served two terms, Marcos faced a 1973 election in which he could not be a candidate. Whether martial law was declared to perpetuate his regime is contestable. Crime, banditry and contempt for the law had become unmanagable and martial law was perhaps justified. However, martial law was extended well beyond its original purpose. While it may have been needed at the time, there was little justification for its institutionalization. Clark Neher's description of Assemblyman Salvador Laurel's speech before the Cebu-Mandaue Breakfast Club summarizes this view.

"Salvador Laurel summarized the position of the democratic opposition noting that the original rationale for declaring martial law....was no longer pertinent. By the president's own admission the rebellion had been contained, therefore, martial law should end immediately...peace and order had returned, the National Assembly met regularly, and recent elections in Mindanao were held without incident. Hence, martial law was no longer necessary. Furthermore, if peace and order had not been restored, then martial law must be judged a failure and should be ended."<sup>21</sup>

However, martial law alone is not the sole culprit of the current political dilemma. Authoritarian regimes must depoliticize the population and reorient it to accept a new social structure designed to perpetuate authoritarianism. One

reason for this is that "authoritarian regimes...have found considerable value in the general conceptual framework subsumed under dependencia theory."<sup>22</sup> Dependency on "transnational and multinational networks of influence" such as exists in the Philippines tend to breed authoritarianism since these networks require guarantees which can only be made by authoritarian rule.

Robert Stauffer looks at Philippine corporatism and states that:

"A strong case has been made that the New Society is more tightly nested in a set of transnational and multinational networks of influence-if not outright control- than at any time since independence, and that these "require" (functionally) the very types of guarantees that can only be assured by authoritarianism."<sup>23</sup>

He then argues that this situation leads to an attempt on the part of the dictator to reorient the population.

"The connections are obvious: to secure the stability without which transnational corporation and multilateral funding support would not be extended, the domestic population must be depoliticized, demobilized, and, under certain conditions, remobilized under firm state control. Institutionally this requires, as Marx noted in his analysis of Louis Bonaparte's coup against the French Second Republic, 'the victory...of the executive power over the legislative power, of force without phrases over the force of phrases.' Legislatures may linger on, even perform certain useful symbolic functions, but they remain securely under the control of the executive, typically dominated by the technicians of development-the military and the technocrats."<sup>24</sup>

Stauffer's conclusion are quite illustrative.

They very clearly explicate what President Marcos has attempted to do since the imposition of martial law.

"The leaders of the New Society, after having destroyed the political institutions of the precoup regime, have used authoritarian state power to proceed to construct new institutions, not only for the political sphere of public life but for the economic and social as well. In each sector the new institutions have decidedly corporatist characteristics: competing groups are forced to merge under state sponsorship; labor is coerced into "cooperating" with management and the government in building the economy; private associations are integrated under a formula of a single peak body for each profession, economic function, or social activity; government-sponsored and controlled "representative" bodies-some with "sectoral" representation-are created; disciplined "harmony" is decreed as the basis for building the New Society along with "developmentalism"; the military is accorded new honor, respect, and power; and massive public information programs are directed towards socializing the population into the values of the new order." 25

Having met with varying degrees of success it would appear that martial law could now be lifted while the social institutions it created remain firmly in place. However, while local barangays may provide the outward manifestations of political support, the extent to which political ideology has been successfully brainwashed to accept the new political structure is questionable. The 1973 election would have probably seen considerable party switching, shifting loyalties, vote buying, and accusations of corruption and repression. Filipinos would have lined up to do battle with the opposing camp using these same tactics, but such had been the nature of their "democracy." When martial law confiscated the tools of political battle it interrupted the form of political expression but did not eliminate its ideological foundations.

Opposition to authoritarian institutions continued to ferment despite the lifting of martial law. People recognize that lifting martial law will not necessarily go all the way toward restoring the pre-coup forms of political expression. Students immediately protested what they called the "farcical lifting of martial law."<sup>26</sup> In Quezon City, 300 students turned out to denounce the political manuever. "Speakers from about ten universities took turns in condemning the Education Ministry's decision to revive student councils and governments and described it as a deceptive tactic."<sup>27</sup> In Manila, students proceeded to the American Embassy to protest the lifting of martial law as a "modified strategy for repression and deception aimed at institutionalizing U.S. domination in the Philippines under the Marcos dictatorship."<sup>28</sup>

Overall reaction was mixed. The United Democratic Opposition called it a "paper lifting", a "sham," a "joke," and "a mad dog with a different collar." Cardinal Sin said he would wait two months to see if human rights are really protected. Militant studentry described it as a "fraudulent manuever." And, the reaction of the Filipino "tao" or man in the street was divided. An equal number were for lifting martial law as were against it. However, "only a very small minority were indifferent."<sup>29</sup>

Thus, while the Marcos interregnum temporarily took away some of the instruments of political opposition in

the Philippine context, it did not succeed in shifting the attitudes or ideology of Filipinos toward their political expression. This is perhaps because the "passivity" Shaplan speaks of may apply to Filipino attitudes towards religion or the forces of nature but that it applies to political ideology cannot be substantiated.

In this context, what is the U.S. political objective? If the foregoing description of the political environment is accurate, what can be deduced about the future role of the U.S. in this environment? It would appear that the key question lies in what is to follow when Marcos is no longer in control.

#### b. Succession

As long as President Marcos remains in power U.S. overall objectives are fairly secure. The bases will be allowed to stay, the economy will vacillate between strength and weakness, and the political/ideological impact will remain relatively neutral. Just as the Shah was a reasonably safe guarantee for U.S. overall objectives in Iran, so Marcos provides the U.S. the needed measure of internal stability. However, while the overall goal is fairly secure under Marcos, the United States must be prepared for what follows.

The Shah was overthrown violently. In the ensuing political chaos the United States fell into disfavor. That situation provides an excellent point of departure for this

analysis. Indeed, since the fall of the Shah it has become fashionable for prominent Philippinists to point to the similarities between Marcos and his former Iranian counterpart.

But, the key issue is not to examine how or whether the United States can keep Marcos in power. The question should begin at a more basic level of analysis. That is, recognition that President Marcos will not remain in power forever. He will either die in office or will relinquish the reigns of government peacefully or through violent overthrow.

Perhaps Marcos can remain in power until he dies of natural causes. But, following a policy which is designed to aid him in this endeavor neglects the impact which the problem of succession is likely to bring about. The aim here is, therefore, to predict how this transition might come about. There are any number of possible scenarios. Most tend to predict what will happen if Marcos is assassinated or is suddenly overcome by his illness. The United States must naturally be concerned with its objectives under each of these various scenarios but must also determine alternative solutions.

Carl Lande, a prominent expert on the Philippines, has "several visions of the Philippines after Marcos." First, he sees a bloody struggle for power within the military. Second, there is the possibility of an inter-regional conflict; and, finally, a victory by the MNLF, the NPA, or a combination of the two.<sup>30</sup> These are perhaps valid concerns but one other

alternative demands attention. Where there are steps the U.S. can take to promote a peaceful transition, they should be explored. Thus, there are four possible scenarios the United States could address. Three concern Marcos' sudden demise. The fourth looks at a transition within the context of free elections and Marcos' willingness to restore the means of political expression characterized earlier.

Lande's first scenario sees a violent military struggle following Marcos' sudden demise. This would probably come about with Imelda Marcos subsequent claim to power.

Mr. Marcos is an Ilocano and has endowed this group with considerable power through political appointments and military promotions. Mrs. Marcos is from the Visayas and does not enjoy that group's support. Instead, she has developed her own power base in the military as well as in her own political cadre as Governor of Metro-Manila. Thus, her succession is likely to be hotly contested between these two camps.

"Marcos, in view of his uncertain health, may be aiming to preserve his political innovations by assuring that his successor would carry on his work. Political analyst have detected the start of political manoeuvres even within Marcos' ruling party, essentially between two factions: one headed by Mrs. Marcos ably backed up by Ver (General Ver) and most of Marcos' cabinet members; and the other, an as yet unclear conglomerate of political figures both within and without Marcos' camp, with Enrile and Major General Fidel Ramos, Chief of Philippine Constabulary and the Integrated National Police, considered the prime figures."<sup>31</sup>

The outcome of this type of scenario is difficult to predict, and would be highly speculative. Nonetheless, the winning faction will have to rely, as the President now

relies, on strong support from the military. Thus, the element that wins control of the military will be the element that controls the voice of the government.

However, the AFP is highly dependent on U.S. aid, technology, and arms transfer. It is, therefore, unlikely that this scenario would result in the ouster of the American military installations. The ruling faction would demand some token concessions for local consumption and a claim to legitimacy, but substantive changes would hardly be forthcoming. There would, however, be a deleterious affect on the prestige of political/ideological affiliation with the United States.

The above scenario describes an intra-military struggle for power. However, Lande's second vision describes what could be "even more bloody than an intra-military struggle, and more destructive of the fragile national unity which has been built so carefully over the past century."<sup>32</sup> Such a situation could easily evolve from the military struggle into a regional conflict with "well armed Ilocanos, led by the Constabulary" facing the "Tagalog and Visayans in rebellion."<sup>33</sup>

The outcome of this eventuality is even more difficult to predict because national sentiment would play a very large role. Filipinos are not adamantly anti-American, but anti-MNC and anti-military bases sentiment is often hailed as the banner for nationalistic fervor. During the ensuing civil strife of the scenario the undercurrent of anti-American

sentiment could undergo infectious contagion resulting in either our total ouster, or less than favorable negotiations.

In this case the United States could hardly afford to back either faction at the expense of the other. Such a strategy would totally alienate the opposing camp risking the possibility of their alignment with the more radical elements such as the NPA. A massive shift of popular support, and political legitimacy for this group could tip the scale leading to another Huk type rebellion. This scenario should, therefore, be avoided.

A third scenario is that either the NPA, or the MNLF, or a combination of the two, might overthrow the government. During his reign Mr. Marcos has kept a fairly tight lid on the NPA. Communism is somewhat repulsive to Filipinos and it is unlikely that the NPA could muster enough support on its own to pose a realistic threat. Combined with the MNLF they could cause the government significant difficulty, but such a coalition is not likely. Carl Lande points out that "the NPA was attempting to overthrow the government long before martial law, and note that the MNLF's preferred goal is the dismemberment of the Republic through the secession of its southernmost provinces."<sup>24</sup>

The military danger of this scenario was discussed in the previous section. There it was argued that the objective was not military at all but rather political. As long as the basis of support for the communist insurgency can be

prevented, the NPA can continue to be held in check. The MNLF's goal should have little or no impact on U.S. overall objectives and indeed secession might bring about improvement in certain areas. This scenario, therefore, tends to go hand in hand with the previous.

The immediate danger for the United States lies in a struggle for power between various regional groups and the possibility that one of these groups may ally with the radical left.

A final alternative can be found in a transition within the established political forum if Marcos restores to the opposition the means of political combat. There is no lack of opposition in the Philippines but President Marcos has such control over domestic politics that should he choose to continue his reign he can prevent the opposition from organizing.

However, Filipinos continue to make their best possible efforts to unseat the dictator. There are any number of united fronts presently based in the United States. Some call for violent overthrow but most seek a peaceful transition by persuading Marcos to hold free elections. Within the Philippines one such united front is the United Democratic Opposition (UNIDO). That group, for example, has already acknowledged that it will recognize the U.S.-Philippine military bases agreement negotiated by the Marcos government.<sup>35</sup>

Their unity and their organization is somewhat suspect but should Marcos choose to allow genuinely free elections they and others will at least provide the means for political expression. Marcos may even win such an election but the method for succession will at least have been restored. Filipinos may balk at the corruption which prevailed during the May 1981 elections but they will be gearing up for the next round, ready once again to shift loyalties, switch parties and return to the Philippine form of democracy.

This scenario not only guarantees that the United States will maintain its bases in the Philippines, but it signals to Southeast Asia and the rest of the Third World that authoritarian regimes followed by a military coup with its new oligarch is not the only means for the political evolution of developing nations.

There are of course many other possible scenarios. Some are more likely than others, but the area of primary concern in the political/ideological dimension should remain succession. The island could perhaps be invaded by the Vietnamese. A particular scenario here would begin with the discovery of significant oil deposits near the Spratleys. The ensuing dispute over who has sovereignty could conceivably escalate. However, the Vietnamese would have little to gain by carrying the fight to the archipelago not to mention the difficulty of conducting amphibious warfare.

Such a scenario is a clear cut for the United States. U.S. troops would not, and should not, fight over islands claimed by four different sovereign states. But, defense of universally recognized Philippine territory would have to implicate U.S. forces should they be required.

Still another vision would be that Marcos wins the upcoming elections and Imelda "buys" the ones that follow. However, such a scenario parallels the last of the four main scenarios addressed above. In this case the United States would have to wait to see if the forms of political expression were actually restored or if the elections represented a perpetuation of the institutions created under martial law. Were that the case the succession issue would in essence have remained unresolved and we would be facing the same dilemma.

#### C. U.S. Political Objectives

Of the possible scenarios, the United States should opt for a return to the Philippine form of democracy, before Marcos is overcome physically either as a result of illness or violent overthrow. If the succession issue is still unresolved at the time of his demise there will be either an intra-military struggle which may not necessarily be detrimental to the U.S., but which may exalate to widespread regional conflict. The latter may result in a replay of the Shah crisis, particularly if the winning faction has been co-opted by the radical left.

Strobe Talbott offers some suggestions as to how the United States should deal with dictatorships. He suggests four alternatives.

"First, the U.S. should be especially wary of embracing dictatorships that have sprung up in countries with democratic traditions, like Chile and Greece... Second, the U.S. has more reason to regard a strict, perhaps unsavory regime in a country as viable if that country faces an external threat... Third, it is wiser to support a regime in a country that has a system for assuring a measure of continuity that in a nation that does not."<sup>36</sup>

All these conditions are prevalent in the Philippines. The final recommendation highlights what the U.S. position should be.

"Finally, the U.S. should be acutely sensitive to fundamental and widespread changes in the nature of internal opposition to right wing rulers, particularly radicalization, growing resentment of the U.S., and an increased willingness on the part of the democratic moderates to make common cause with leftist extremists. Where that happens, as it is happening now in the Philippines, the U.S. would do well to step up regular diplomatic communication with the moderates and thus help strengthen them."<sup>37</sup>

It would appear that the United States is following exactly the right course. We have continued aid programs so as not to estrange Marcos; but, at the same time we have aimed some mildly abusive gestures at this repressive martial law government so as to disassociate ourselves from its negative aspects. Tony Hall's clammoring for a reduction in aid as a signal may not meet Congressional approval but testimony during the hearings does not go unheard. Moreover, we have not avidly pursued the recent arrest warrants issued against U.S. based dissidents, and Richard Holbrooke has gone so far as to invite Benigno Aguino, the prominent opposition leader

at the head of the arrest order, to a luncheon meeting. Mr. Aguino claims that, during the discussion, Holbrooke told him the U.S. government would support any peaceful normalization plan. Marcos realizes that Aguino is beginning to gain some U.S. support, possibly through the State Department.<sup>38</sup>

These policies should be continued since they may convince Marcos that holding genuinely free elections is indeed the best of all possible alternative. Speculation is that President Reagan will adopt a hard line for the U.S. and that this implies a reaffirmation of support for Marcos type regimes. This would be unfortunate. The policies that had previously been followed indicate some measure of success. There is reason to believe that Marcos is ready to restore some of the old democratic processes. To encourage authoritarianism could easily undo the strength of the opposition which has struggled so arduously to restore the forms of political expression. The United States should, therefore, continue on its current path; that is, continue paying "rental fees" for the bases while remaining aloof of the Marcos dictatorship, at the same time encouraging dialogue between State Department officials and prominent leaders of the democratic moderates.

#### B. SUMMARY

This chapter has attempted to clarify some of the basic issues confronting the United States policy objectives with

respect to the Republic of the Philippines. Beginning with the basic premise that the Philippine contribution to U.S. regional influence is vital, the chapter proceeds into an analysis of the economic military, and political/ideological dimensions of the U.S./Philippine relationship hopefully to determine what course the U.S. should follow.

The U.S. overall objective was highlighted in the previous chapter wherein it was argued that the overriding concern is to maintain the military installations. As a corollary the United States should seek to maintain its bases within an economic and political/ideological climate which speaks favorably of Philippine affiliation with the United States.

To do this the United States should be concerned, in the economic spectrum, not only with making a profit for the private sector, but even more importantly with promoting economic prosperity for the lower income strata in the Philippines. Encouraging the development of viable export oriented industries will help considerably in this area.

Militarily, there is little cause for immediate concern. The indigenous insurgencies are well under control by Marcos and the AFP and it is highly unlikely that any realistic threat could materialize barring the further alienation and disassimilation of the masses. Thus, what the U.S. must seek to prevent is this further disaffection on the part of the masses. Should the bulk of the population become disillusioned with the democratic processes for social mobilization- and

that time is rapidly approaching- they are likely to turn toward the extremism of the radical left. The U.S. objective in this dimension is somewhat altered from the strictly military to a military/political objective. In essence the military objective is to prevent the military threat from materializing through effective application of political/ideological objectives.

In the political/ideological dimension three broad categories were discussed. The first consisted of a historical journey through some of the more salient points of Philippine politics. First, passivity was denied as being an accurate descriptor of Philippine sensitivities to politics. Instead, it was discovered that Filipinos have historically been quite dedicated and fierce when it comes to this particular dimension. The Marcos interregnum may have attempted to remove the institutions of political expression but it has succeeded only in temporarily removing the tools of dissent from the opposition.

Second, several scenarios of the Philippines after Marcos were discussed. Most concern what is to happen after Marcos' sudden demise, but one would see genuinely free elections even within Marcos' reign. This final scenario is the one that the U.S. should encourage since it offers the best possibility of assuring U.S. overall objectives. Most other eventualities could lead to the U.S. falling into the same disfavor it experienced in Iran following the political chaos after the Shah's fall.

The United States, fortunately, has followed excellent policy guidelines with respect to the Philippines. Negotiations with the Marcos government over the military installations have been pragmatic. He provides the bases we provide the money. On the other hand, diplomatic niceties have been withheld while American diplomats indulge in conversation with some of Marcos' most staunch opponents. This signals U.S. desires to disassociate itself from the distasteful characterization of being the supporter of the Marcos dictatorship. These policies should be continued since they have had some measure of success and it appears that Marcos may be on the brink of liberalizing government institutions.

## FOOTNOTES

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<sup>3</sup> Ibid. p. 58

<sup>4</sup> John H. Adkins, "Philippines 1972: We'll Wait and See," Asian Survey. February 1973, p. 140

<sup>5</sup> "Oil, coal, gas, and the Ipil-Ipil," Survey Euromoney. April 1979, pp. 21-23

<sup>6</sup> Far East Economic Review (FEER) Asia 1980 Yearbook. "The Philippines: Economic," p. 270

<sup>7</sup> Clark Neher, "The Philippines 1979: Cracks in the Fortress," Asian Survey. February 1980, p. 163

<sup>8</sup> "Hunger is Thy Neighbor," The Economist. October 13, 1979, p. 58

<sup>9</sup> "Philippines 1979," Business Week. June 4, 1979, p. 23

<sup>10</sup> Op. Cit. FEER Asia 1980 Yearbook. "The Philippines: Political," p. 269

<sup>11</sup> Ibid. p. 268

<sup>12</sup> "Donor's Dilemma: Marcos's Power Waning, World Bank Study Warns," The Asian Wall Street Journal Weekly. December 8, 1980, p. 20

<sup>13</sup> Tillman Durdin, "Philippine Communism," Problems of Communism. May-June 1976, Vol 25(3)

<sup>14</sup> Nena Vreeland, Geoffrey B. Hurwita, Peter Just, Philip W. Mueller, and R.S. Shinn, Area Handbook for the Philippines. (American University: Washington, D.C., 1976) p. 379

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<sup>16</sup> Robert Pringle, Indonesia and the Philippines: American Interests in Island Southeast Asia. (Columbia University Press: New York, 1980), pp. 62-63

<sup>17</sup> Ibid.

<sup>18</sup> Robert Shaplen, A Turning Wheel. (Random House: New York, 1979) p. 204

<sup>19</sup> Justus M. VanDerKroef, "Communism and Reform in the Philippines," Pacific Affairs. (Canada) 1973, Vol 46(1), p. 31

<sup>20</sup> Op. Cit. Neena Vreeland, Area Handbook for the Philippines. pp. 213-214

<sup>21</sup> Op. Cit. Clark Neher, "The Philippines 1979", p. 157

<sup>22</sup> Robert B. Stauffer, "Philippine Corporatism: A Note on the 'New Society', " Asian Survey. April 1977, p. 394

<sup>23</sup> Ibid. p. 393

<sup>24</sup> Ibid. p. 394

<sup>25</sup> Ibid. p. 406

<sup>26</sup> "Daily Report," Foreign Broadcast Information Service (FBIS). (National Technical Information Service: U.S. Department of Commerce: Springfield, Virginia 22151) 19 June 1981, p.3

<sup>27</sup> FBIS. 28 Jan 1981, p. P-2

<sup>28</sup> FBIS. 21 Jan 1981, p. P-3

<sup>29</sup> FBIS. 16 Jan 1981, p. P-2

<sup>30</sup> Carl H. Lande, "The Future of Philippine Politics and American Policy," an unpublished paper presented to the First International Philippine Studies Conference at Western Michigan University May 28- June 1, 1980, p. 18

<sup>31</sup> Sheilah Ocampo, "Prospects of Amnesty and Unity," FEER. January 11, 1980, p. 15

<sup>32</sup> Op. Cit. Carl H. Lande, "The Future of Philippine Politics," p. 18

<sup>33</sup> Ibid.

<sup>34</sup> Ibid. p. 19

<sup>35</sup> FBIS. 22 Jan 1981, p. P-1

<sup>36</sup> Strobe Talbott, "The Dilemma of Dealing with Dictators," Time. September 24, 1979, p. 48

<sup>37</sup> Ibid.

<sup>38</sup> Sheilah Ocampo, "Bombers Fail to Sway Marcos," FEER. September 26- October 2, 1980, p. 16

## VI. CONCLUSION

This study has gone to some length to discover the U.S. national interest in the Republic of the Philippines. In essence, this has been a two part endeavor. First, the thesis has attempted to verify that there is no such concept as a national interest in or toward another thing or entity. It has said that to base foreign policy on something the United States would like to achieve neglects the fact that in a pluralistic society it may be impossible to identify one single all inclusive definition of what the American national interest is.

For these reasons, the national interest concept should be viewed as a topological space which consists of all the values, needs and cognitive structures inherent to American society. How these things are ultimately translated into foreign policy requires recognition that interests are always dependent on other interests. There is no ultimate independent interest or ultimate goal which stands alone and is accepted by each and every individual as a self-evident truth. Rather, each interest is actually an instrumental goal and its value should be measured in terms of its effectiveness in achieving the next higher goal in an endless chain of dependent interests.

What emerges from the first chapter is a realization that the only common denominator in the concept of the national

interest is the ability to achieve whatever that interest topology is eventually defined to be. No matter how that space of interests is defined influence will be required to achieve those interests. This is particularly true in the international system where there is no organization which is capable of guaranteeing that each state will have the right to pursue its interests as it sees fit. Instead, nations are responsible for promoting, and protecting their own interests by influencing world actors to behave in a way that will be compatible with the interests of others.

The second chapter, therefore, dealt with the nature of influence. The discussion at the conceptual level stipulated that power is not necessarily meaningful as the ultimate means of persuasion. While power- military, economic and political- is an important aspect, the thing that will determine which way a nation behaves is the summation of rewards and costs. This was referred to as the influence relationship and a nation can gain such influence through economic, military, and political ideological strength in the world environment.

The study then progressed to a discussion of how these three dimensions affect U.S. influence in the global context, particularly emphasizing U.S. relations with Third World Nations. Economically, the United States has much to gain by seeking improved economic interaction with the Third World. Militarily, the nature of the Soviet threat requires that the United States be prepared to check Soviet expansionist incursions into

various regions of the world and, once again, particularly in the Third World. The final dimension is equally vital. Where the U.S. adheres strictly to some ideological or moralistic commitment to foreign policy without adequately weighing the impact which such policies will have on U.S. global influence the result may be to our own peril.

Thus, what emerges from Part One is the realization that U.S. foreign policy should not really be "based" on the concept of the national interest, but rather on the concept of the American ability to achieve these interests whatever they may be. This ability requires influence in the international system- the ability to control the influence relationship such that actors will behave in the desired fashion.

Part Two then attempts to apply that model to the U.S. relationship with the Philippines. It is at once observed that if influence is to be the primary goal of U.S. foreign policy, the need for U.S. influence in the Philippines must be verified. To this end Chapter Four attempted to delineate the need for U.S. influence in the Southeast Asia region and then examine how the Philippines contributes to or detracts from this influence.

In Southeast Asia U.S. influence is vital because its impact on U.S. global influence is tantamount. Economically the region is maintaining a respectable rate of growth whereas growth in developed market economies has waned. Moreover, its potential as a future market for U.S. exports and as a possible

source of raw materials, to include perhaps energy resources, is significant. Already two way trade equals that of U.S. trade with West European nations, and exports hold a close second at 20.0 percent versus 27.0 percent of total U.S. export markets in West Europe.

Militarily, the Indonesian "seawall" must remain a vital concern. U.S. military strength in Southeast Asia must be maintained. Not only is military traffic going West through these straits crucial as a means to project American military power in the Indian Ocean and the Middle East, but oil traveling East to Japan, South Korea, Taiwan and many other American trading partners must also have access to Indonesian waters. Whether the United States has a moral, or philosophical commitment to protect East Asia's energy lifeline is not the issue. The fact is that whoever is capable of making the necessary guarantees with respect to these straits will in fact be the predominant party of any influence relationship.

Southeast Asian nations cannot protect themselves against Vietnamese, especially Soviet sponsored Vietnamese, hegemonic aspirations. Vietnam has 1.029 million men under arms, well trained and battle hardened. ASEAN states have chosen not to pursue a military alliance, and rightfully so. Even their combined strength would be outnumbered, and each nation is totally engrossed in pacifying indigenous insurgencies. Fighting external aggression could be a hopeless endeavor. Therefore, continued U.S. military presence in Southeast Asia

is crucial, if only as a signal that the United States intends to abide by its commitments even if these commitments are only to the extent of the Nixon Doctrine.

Politically, Southeast Asia is in a period of transition. Having experienced centuries of colonization at the hands of Spain, France, England, the Dutch, and the Americans these nations are now in a process of shaping their own political/ideological destinies. The U.S. role in this evolution will signal the extent to which the "free" world's political models can succeed in Southeast Asia.

United States relations with the Philippines make a significant contribution to American regional influence in Southeast Asia. The cost of moving the military presence to Guam or to some other location are prohibitive and the mission to the Indian Ocean would be impossible to accomplish from a further removed cite. Moreover, strategic withdrawal would have the effect of signalling that U.S. military commitment and strength in Southeast Asia is in the early stages of its demise.

Economically and politically, the Philippine future will also effect U.S. regional influence. Should the Philippines undergo economic collapse and/or political chaos, neighboring nations cannot help but interpret this as the futility that comes about from close affiliation with the West but more specifically in the Philippine case with the United States.

Therefore, the model would indicate several things. First, U.S. influence in Southeast Asia is crucial. Second, the Philippines contributes significantly to U.S. regional influence. As the model then attempts to focus specifically on the American relationship with the island archipelago, the emphasis must shift.

If the U.S. is to maintain its bases in the Philippines and this is to be done within an economic and political context which contributes to Philippine prosperity, how the U.S. can accomplish this broad goal is the next topic of inquiry. Chapter Five, therefore, attempts to analyze each dimension with the hope of clarifying what the U.S. objective should be for each.

Economically, the Philippines is in a turbulent era. GNP growth rates, balance of payments, and terms of trade tend to fluctuate from apparent strength to obvious weakness, but these trends parallel global trends of inflationary pressure and overall recession. The real calamity can be found in the distribution of income. President Marcos, and indeed the entire economic infra-structure since independence, has emphasized import substitution industry. Unfortunately this is at the expense of the labor intensive export sector. As a result, commodity prices tend to remain artificially high while the purchasing power of the lower income strata declines. Unemployment and underemployment is a way of life resulting in a population that has the lowest calory consumption rate in all of Asia.

Economic depravity breeds social unrest. The political/ideological dimension is analyzed in the last section of the fifth chapter but it has particular significance for U.S. objectives in the economic sector as well. If political/ideological stability is to be one of several U.S. goals for the Philippines, economic prosperity is a necessary prerequisite. The objective, therefore, is to ensure that while the American private sector is out there making a profit, the U.S. as a whole encourages and contributes to the economic prosperity of the lower income strata. This can be achieved by providing assistance wherever possible to boost the export sector of the Philippine economy. President Marcos is presently attempting to accomplish this task but the extent to which he can provide this guidance is questionable.

The military dimension is somewhat nebulous. The two primary indigenous threats to the Philippine government do not necessarily represent the immediate danger. Indeed, there should be little or no immediate danger provided the population does not become totally disaffected with government. Moreover, Philippine dependency on American protection against external aggression and the impact of the American bases on Philippine GNP serve to insure that the Philippines will continue to rely heavily on the U.S. The primary concern, therefore, in the military dimension is to prevent the Filipino masses from becoming totally disassimilated from the institutions of democratic government and turning to the

radical leftist extremists as the only viable outlet for political expression. The economic contribution to this objective has been summarized, what remains is the political/ideological dimension which tends to tie all these factors together.

The Filipino is by no means passive when it comes to politics. For four hundred years Filipinos have been resisting foreign domination and domestic repression. Philippine political expression is characterized by shifting loyalties, party switching, and dissent against whichever faction contributes least to one's own aggrandizement. However, this system has served the Philippines well and they strongly desire a return at least to the atmosphere which allows them their form of political/ideological expression.

President Marcos' interregnum through the vehicle of martial law removed the Philippine institutions of political dissent but it did not quell Philippine ideology. Opposition is strong and they are increasingly demanding the right to attempt to unseat the current dictator. As a result the key issue of U.S. concern is succession. Whether Marcos remains in power until his natural or quixotic demise what follows in his wake will have certain repercussions for the United States. The U.S. objective is, therefore, to accurately forecast how and when this transition might come about and to pursue policies which will contribute to U.S. overall objectives.

Carl Lande has three visions of what will follow Marcos. An intra-military struggle may not necessarily impede U.S. efforts but should such a struggle escalate to regional conflict the outcomes could be catastrophic. Both of these scenarios should, therefore, be avoided. The third vision, as unlikely as it may be, has tremendously negative implications for the United States. Should the NPA, the MNLF, or their combined effort succeed against the Marcos government a Shah of Iran debacle could easily follow.

What Lande did not address, however, is the possibility that President Marcos might restore to the opposition the ability to organize. This scenario is perhaps the best of all possible alternatives because the democratic opposition is likely to remain as committed to the U.S. as Marcos and his predecessors have been.

The United States is following a precise and accurate course in this endeavor. It must be continued. Negotiations for base rights resulted not in commitment to specified amounts but rather in a pledge to "attempt" to secure these amounts given Congressional approval. Committee debates over dollar cutbacks help signal to Marcos and all Filipinos that the U.S. wants the bases but prefers to disavow support for autarchy. Moreover, remaining aloof to the "President" while cozying up to his opposition has had some impact on Marcos' strategy. Martial law has been lifted but more importantly Marcos has made some overtures toward a May

election. What remains to be seen is whether there will be elections Philippine style or Marcos style.

In the final analysis the main thrust of this paper has been a recommendation as to how the U.S. should approach its relationship with the Philippines. What has emerged is a realization that U.S. foreign policy in other nations of the world should not necessarily be based on a strict, consensus opinion of what the national interest is or is not. The fact that the concept is at least difficult to define, if not impossible indicates that the vehicle to be used in the transition from American dreams and aspirations to American foreign policy is influence.

Thus, as one looks at his nation's relationship with another sovereign state, he need query how that relationship can be made to contribute to the American ability to achieve its dreams and hopes rather than to become overinvolved with determining what these aspirations actually are. Such a view paints a totally different picture of what U.S. foreign policy in the Philippines should be. While there are those who would contend that the U.S. has no national interest in the Philippines per se, there is little doubt that this nation relies heavily on its relationship with the island archipelago.

APPENDIX : A "RELATIONSHIPS: A BIRD'S EYE VIEW OF ASIAN DISCORD"

<b>US – SOVIET UNION</b>	<p><b>Current Asian focal points of friction:</b> Indochina. Thailand. Japan's "northern territories". Afghanistan.</p> <p><b>Potential Asian focal points of friction:</b> South/North Korea. Taiwan. South China Sea. China.</p>	<p>The two nations remain the only countries capable of incinerating Earth many times over with their nuclear arsenals. In the superpowers' arms race the Soviets are still racing, the Americans jockeying. Moscow seeks to increase its worldwide political influence as a corollary of its expanding military power. Washington seeks to retain global influence but US military power no longer clearly dominant in East Asia and Pacific. US economic influence still vast and pervasive while Soviet economic clout remains relatively minor. US Asian policy perennially subject to the US being an inward-looking denotary. This trend to be exacerbated in 1980 since, by the last half of 1979, the presidential election campaign well under way. Soviet Asian policy still affected by the Kremlin being controlled by cautious gerontocracy. This trend could be diminished or enhanced by power struggle consequent upon Brezhnev's not-long-to-be-delayed departure from top spot.</p>
<b>East Asia</b>	<p>The Soviets increase their military pressure on the major ally of US in Asia, Japan. The US stages largest military exercise in Japan in mid-1979 to provide reassurance for that alliance. The US halts its planned military rundown in South Korea but the Soviets not, conspicuously increasing their fraternal ties with North Korea. US ties with China grow closer and warmer while Moscow seeks to make its relations with Peking less rigidly frigid. In the wake of the formal end of the Sino-Soviet alliance, Washington recognises Taiwan but, as yet, no Moscow moves to pick up the slack.</p>	<p><b>Detente continues but Cold War remains.</b> US looks at Asia and sees Soviets pressing hard across the board. Soviets look at Asia and US and still wonder how hard it is prudent to press. Sino-American rush to normalise sets Salt 2 back for months but ultimately treaty still signed. China implicitly anti-Salt while Japan and rest of non-communist Asia prefer it to the increased superpower tension that will result if Salt not ratified. But superpower tension widely perceived as likely to increase irrespective of Salt symbolism. US pressure, a factor in restraining Soviet reaction to Chinese aggression against Vietnam, but much less a factor in restraining Soviet help for Vietnamese aggression against Kampuchea. Both China and Japan moderate their stances vis à vis Soviet Union, in part from recognition of limits of US potency. Superpower relationship never singly affected by triangular, quadrilateral and pentagonal considerations (see <i>figur</i>).</p>

Relationship	Background	Developments	Prospects
<u><b>BILATERAL</b></u> <b>SINO-SOVIET</b>	<p>Personal, emotional, traditional, political and racial antipathy. The Soviet Union's unequal treatment of Maoist China even though Lenin renounced unequal treaties (from which Moscow still benefits). Chinese disdain for satellite status. Both nations pursue friendship with each other's enemies, and enmity with each other's friends. So their respective fears of encirclement are enhanced, which in turn exacerbates the basic antipathies.</p>	<p>With Sino-Japanese peace treaty, and Sino-American normalisation safely behind them China announces intention of abrogating Sino-Soviet treaty of alliance 1950. Also suggests talks for Sino-Soviet normalisation, which get under way in Moscow late September 1979. A new framework for relations to replace long moribund alliance framework widely considered best achievable result of negotiations. No question that, as talks begin, Sino-Soviet rivalry the most dangerous and destabilising relationship in Asia and world.</p>	<p>Both nations now ideologically "revisionist" but, while that enables them to talk, does not necessarily help them to agree. China insists upon equality; Soviet Union, as always, expects a degree of deference. Soviets fear encirclement by China and its friends. Chinese see growing encirclement by Soviets and their satellites. During 1979 China diplomatically moderates the difficult level of its anti-Soviet diatribes but Soviets continue with theirs and with arousing Sinophobia at home and abroad.</p>
<u><b>SINO-US</b></u> Taiwan. The ambiguities of normalisation. US trade protectionism. Issue of frozen assets.		<p>Relations finally become nominally normal as Carter hurriedly plays China card December 16-17, 1978. But while Washington ceases to diplomatically acknowledge one party to the unending Chinese civil war, it remains politically involved, as China goes ahead with normalisation despite US insistence on its right to self-defensive arms to Taiwan. US insists on peaceful solution to civil war. China gives no pledge but tries conciliation nevertheless. As in earlier periods, widespread US sentimentally vis-à-vis China at odds with hardheaded Peking vision of Realpolitik; also with basic Chinese realities.</p>	<p>Sino-US relations improve as divisive issues finesed. US loses since which seen to have forsaken old ally (Taiwan) while conceding all three Chinese pre-conditions. China gains by exuding image of US support as it goes to war with Vietnam. Just as negotiation of normalisation by US skippy and hurried, so bilateral follow-up spasmodic, with Vice-President Mondale's visit August 1979 revising momentum. But during 1979-80 presidential election campaign US may fail to give China relations the attention they need an which the Chinese expect.</p>

Relationship	Background	Developments	Prospects
<b>THE MAJOR POWERS</b>			
<b>TRIANGULAR</b> <b>SINO-US-SOVET</b>	One plus one-half is greater than one. Now that Sino-Soviet alliance no longer confronts US-Japanese alliance, it makes sense for superpowers to compete for the favour of China, the semi-superpower.	Card-playing on all sides despite denials. China plays its anti-Soviet card, as US plays its China card, December 1978. Moscow miffed for a while but then plays its American card by finally agreeing to SALT 2, the provisions of which hardly indicate to Chinese, US ability to play Soviet card. As Mondale visits Peking, US deals another China card, in part to make sure that not too much Sino-Soviet card-playing against US in Moscow.	The Sino-Soviet talks in Moscow suggest the possibility of an end to situation in which US better placed with China and Soviets than Peking and Moscow are with each other. But making the possibility into a reality a difficult, possibly impossible, task. Whether US will deify use its continuing advantage to best effect also rather unlikely. No guarantee triangular relationship will move competitively in positive direction.
<b>SINO-JAPANESE-SOVET</b>	China uses the 'northern territories' issue to keep Japanese-Soviets from getting too close. Soviet build-up of military forces on Japan's northern territories reminds Tokyo that it should not over-tilt towards China but gives the Japanese no incentive to tilt towards the Soviet Union. Moscow's hard-line with Japan effectively deals it out of the triangular play.	Moscow indicated that Shikotan and the Habomais would be returned to Japan when a Soviet-Japanese peace treaty was signed. Had it delivered on this promise it could have had a peace treaty before the Chinese secured theirs. Since, to the contrary, it now builds up forces even on Shikotan, it looks into placing a situation in which China has many advantages and Japan little room for manoeuvre.	Sino-Japanese relations will continue to move ahead faster than Japanese-Soviet relations. Moscow initiative to rectify the triangular imbalance long overdue, but probably has to await conclusion of Post-Brezhnev Kremlin power struggle. Conceivably Moscow has higher hopes of a breakthrough with China than with Japan, but increased Sino-Soviet trade and technical exchanges would help Peking pressure Tokyo to be more forthcoming economically.
<b>SINO-JAPANESE-US</b>	<b>China's mythical market, US and Japanese illusions about those billion consumers</b>	In theory, it should be the enormous economic weight of the US-Japanese combine helping underdeveloped China much as they assist Indonesia. In practice, China uses the illusion of its economic policy brilliance to play Tokyo and Washington off against each other. Japanese and Americans tend to get sentimental over China, but Chinese are not sentimental about power politics.	First China persuades Japan to rush ahead with the peace treaty, then makes it sound to US business ears as if Japan will be allowed to run away with the mythical Chinese market. Corporate unease and pressure a factor in hurried Sino-American normalisation as a consequence. Having secured its objectives with Japan and US (and through them with Moscow) Peking shrinks its market to realistic size and trappings of democracy disappear as quickly as they arose.

## APPENDIX: B

U.S. EXPORTS TO EAST ASIA, BY COMMODITY, BY COUNTRY, 1978  
 (In millions of U.S. dollars)

Partner	Total trade	Food-stuffs	Raw materials	Fuels	Chemicals	Semi-finished	Machinery	Transport	Consumer goods	Other
World	143,660	28,709	10,765	3,980	12,483	13,557	43,207	18,845	7,640	4,476
E. Asia	28,758	7,161	4,813	985	2,558	1,703	6,987	2,011	1,304	1,213
Japan	12,885	4,391	2,717	824	1,088	608	1,058	669	578	150
S. Korea	3,160	652	923	50	165	121	724	231	37	260
Australia	2,910	110	122	30	337	315	1,192	361	251	192
Taiwan	2,339	663	309	30	216	157	567	206	108	83
Hong Kong	1,625	260	209	5	154	129	404	79	133	252
Singapore	1,462	88	32	6	112	79	805	233	71	36
Philippines	1,040	184	81	8	119	125	388	44	58	32
China	824	416	214	2	59	21	94	12	3	3
Indonesia	751	244	90	10	77	34	178	71	11	36
Malaysia	728	53	26	3	66	26	466	18	12	58
Thailand	629	69	95	6	103	42	178	25	19	92
New Zealand	405	31	18	11	62	46	133	62	23	19

Percent of  
 U.S. Exports  
 to E. Asia

20.0 25.0 44.9 24.7 20.5 12.6 16.2 10.7 17.1 27.1

Source: U.S. Department of Commerce.

APPENDIX: C

**DOCUMENT 1**  
**Founding Declaration**  
**of the Association of**  
**Southeast Asian Nations (ASEAN),**  
**August 1967**

*Press Release No. 16 of the Permanent Mission of Thailand to  
the United Nations, August 8, 1967*

The Presidium Minister for Political Affairs/Minister of Foreign Affairs of Indonesia, the Deputy Prime Minister of Malaysia, the Secretary of Foreign Affairs of the Philippines, the Minister for Foreign Affairs of Singapore and the Minister of Foreign Affairs of Thailand:

Mindful of the existence of mutual interests and common problems among the countries of South-East Asia and convinced of the need to strengthen further the existing bonds of regional solidarity and cooperation:

Desiring to establish a firm foundation for common action to promote regional cooperation in South-East Asia in the spirit of equality and partnership and thereby contribute towards peace, progress and prosperity in the region:

Conscious that in an increasingly interdependent world, the cherished ideals of peace, freedom, social justice and economic well-being are best attained by fostering good understanding, good neighbourliness and meaningful cooperation among the countries of the region already bound together by ties of history and culture:

Considering that the countries of South-East Asia share a primary responsibility for strengthening the economic and social stability of the region and insuring their peaceful and progressive national development, and that they are determined to ensure their stability and security from external interference in any form or manifestation in order to preserve their national identities in accordance with the ideals and aspirations of their peoples:

Affirming that all foreign bases are temporary and remain only with the expressed concurrence of the countries concerned and are not intended to be used directly or indirectly to subvert the national independence and freedom of states in the area or prejudice the orderly processes of their national development:

**Do hereby declare:**

**First, the establishment of an association for regional cooperation among the countries of South-East Asia to be known as the Association of South-East Asian Nations (ASEAN)**

**Second, that the aims and purposes of the Association shall be:**

1. **To accelerate the economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of South-East Asian nations:**

2. To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter;
3. To promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields;
4. To provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres;
5. To collaborate more effectively for the greater utilization of their agriculture and industries, the expansion of their trade, including the study of the problems of international commodity trade, the improvement of their transportation and communication facilities and the raising of the living standards of their peoples;
6. To promote South-East Asian studies;
7. To maintain close and beneficial cooperation with existing international and regional organizations with similar aims and purposes, and explore all avenues for even closer cooperation among themselves.

Third, that, to carry out these aims and purposes, the following machinery shall be established:

- A. Annual meeting of foreign ministers may be convened as required
- B. A standing committee, under the chairmanship of the foreign minister of the host country or his representative and having as its members the accredited ambassadors of the other member countries, to carry on the work of the Association in between meetings of foreign ministers
- C. Ad hoc committees and permanent committees of specialists and officials on specific subjects
- D. A national secretariat in each member country to carry out the work of the Association on behalf of that country and to service the annual or special meetings of foreign ministers, the standing committee and such other committees as may hereafter be established

Fourth, that the Association is open for participation to all States in the South-East Asian region subscribing to the aforementioned aims, principles and purposes;

Fifth, that the Association represents the collective will of the nations of South-East Asia to bind themselves together in friendship and cooperation and, through joint efforts and sacrifices, secure for their peoples and for posterity the blessings of peace, freedom and prosperity.

Done in Bangkok on August 8, 1967

For Indonesia:

(Signed) Adam Malik  
Presidium Minister of Political Affairs,  
Minister for Foreign Affairs

**For Malaysia:**

(Signed) Tun Abdul Razak  
Deputy Prime Minister, Minister of Defence  
and Minister of National Development

**For the Philippines:**

(Signed) Narciso Ramos  
Secretary of Foreign Affairs

**For Singapore:**

(Signed) S. Rajaratnam  
Minister for Foreign Affairs

**For Thailand:**

(Signed) Thanat Khoman  
Minister of Foreign Affairs







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